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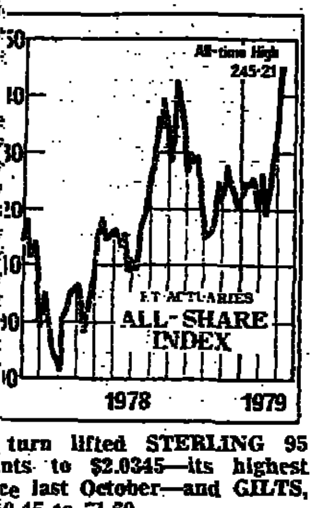
NEWS SUMMARY

All-share at record high

EQUITIES reached yesterday's record levels as measured by the FT-Actuaries All-Share Index, which rose 1.7 per cent to 245.21. The previous peak of 244.30 was recorded last September.

Demand for equities was boosted by optimism about the UK's economic outlook, which



in turn lifted STERLING 95 points to \$2.0345—its highest since last October—and GILTS, 0.45 to 71.60.

The change in sentiment has been brought about by expectations that North Sea oil will ease the effect on the UK of future oil price increases.

Growing confidence about the outcome of the current pay round, and City hopes after the Scottish referendum for a Conservative win in the General Election, have also heightened demand.

In recent weeks, the financial sector of equities has provided the lead, rising 13 per cent since the end of last year, followed by consumer shares. Capital goods issues have lagged.

The FT 30-share index has no financial group representative and, containing many constituents in heavy industry, has fallen behind the broader indices.

Yesterday, it rose 10.7 to 496.9. This compares with last September's peak of 535.5 and its all-time high of 549.2 recorded a year previously.

Sterling maintained its firm trend against other currencies, its trade-weighted index rising to 64.7 (64.5), the best level for a year. Elsewhere, the foreign exchange market remained quiet.

The continued strength of sterling, coupled with yields on Government stocks still in excess of foreign counterparts, led to revived overseas enthusiasm for British Funds. Lex

● WALL STREET was 9.35 down at 835.93 near the close.

● GOLD closed \$2 up at \$241¼.

GENERAL

Big battle expected in Uganda

President Idi Amin took over as Chief of Staff of Uganda's armed forces to lead them against Tanzanian-backed troops reported to be regrouping near Lukaya, 50 miles from Kampala.

There was a lull in the fighting as both sides were apparently consolidating their forces and moving in supplies for what is expected to be a major battle.

'Slush fund deal'

General Hendrik Van den Bergh and Dr. Eschel Rhoodie, central figures in South Africa's "slush funds" scandal, made a secret deal in a Paris hotel. The general said before he left Johannesburg that he intended to stop Dr. Rhoodie making disclosures which could cause an immense crisis in the South African Government.

Workers riot

French steel workers, protesting at Government redundancy plans, fought with riot police at Denain as they tried to smash into a police station with bulldozers. A special session of Parliament to discuss the unemployment crisis is expected to take place at the end of this month. Page 3

Perjury probe

Police are investigating allegations of perjury against Tommy Docherty, former Manchester United manager, following his evidence in his libel action against former United player, Willie Morgan and Granada Television, which he abandoned in mid-hearing.

Iona sale

Iona, the Scottish holy island which is to be sold to pay death duties, may be bought by the State. Officials of the Scottish Development Department will begin talks soon with the Duke of Argyll, the owner, and the National Trust for Scotland. Page 8

Briefly . . .

Foreign visitors spent about £2.302bn in the UK last year.

China said that some of its forces have returned to Chinese territory after their invasion of Vietnam.

BUSINESS

UK surplus on invisible trade declines

● UK's traditional large surplus on trade in invisible items fell sharply last year, mainly as a result of a big rise in net contributions to the EEC and a sharp deterioration in the balance of shipping earnings. Back Page; Table, Page 8

● BL CARS' unofficial toolmakers committee voted in Birmingham to join craft workers and recommend a total strike from March 16 over differentials.

● GROUP of UK companies has signed a three-year contract for the annual supply of 685 tons of cobalt from Nchanga Consolidated Copper Mines of Zambia. The deal could be worth more than £30m a year. Back Page

● ALGERIA is proposing to its oil customers a premium of \$5.15 a barrel above the OPEC benchmark crude price for the second quarter. The present premium is \$1.47.

● OCEAN TRANSPORT and Trading, the UK shipping group, may back a £6m plan for up to three inland road and rail freight terminals. This could lead to a major transfer of freight from road to rail. Page 10

● ICI's pre-tax profits fell £62m at £421m in 1978, and the group now expects to cut back capital expenditure in the coming year. Page 26, Back and Lex

● LONDON and Midlands Industrials, in another attempt to gain control of Caledonian Holdings, won approval for a revised offer worth 159p per share—3p a share more than rival bidder Comet Radiovision Services. Page 24

● F. W. WOOLWORTH raised fourth-quarter earnings by 16.75 per cent to £30.07m. Total earnings for the January 31 year were 13.5 per cent higher at a record £53.1m. Page 24 and Lex

● PRICE of farm land in England has risen sharply. Ministry of Agriculture figures show that in the three months to January, the average price increased by £332 to £4,090 a hectare. Page 35

● SAUDI ARABIA has agreed to supply Greece with 6m tons of crude oil over the next three years. Page 6

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Excheq. 12¾pc 1981	£102¾	+ ¾
Excheq. 13¼pc 1987	£23⅛	+ 1⅛
Allied Colloids	101	+ 6
Assoc. Dairies	245	+ 9
BPB	270	+ 13
Barratt Devs.	116	+ 7
Bass	176	+ 6
Beecham	668	+ 18
Brit. Car Auction	73	+ 4½
British Sugar	150	+ 11
Burton A	242	+ 8
Caledonian Hldgs.	155	+ 7
Coral Leisure	129	+ 6
Cornell Dresses	20	+ 4½
Diploma Invs.	256	+ 16
GUS A	354	+ 16
GKN	251	+ 9
Hall (Matthew)	254	+ 14
Kode	194	+ 9
LWT A	157	+ 10
Laganvale Est.	23	+ 9
MFI Furniture	335	+ 15
Muirhead	275	+ 15
SGB	220	+ 7
Sainsbury (J.)	276	+ 16
Status Discount	320	+ 27
Trust Houses Forte	292	+ 10
Unilever	610	+ 20
Union Discount	360	+ 20
Williams & James	175	+ 8
Woolworth (F. W.)	74½	+ 4
Cent. Pacific Mins.	470	+ 70
Pacific Copper	112	+ 6
Pancontinental	950	+ 75
Southn. Pacific Pet.	200	+ 30

FALLS:

Brentnall Beard	32	− 4
Christies Intl.	140	− 8
Man. Agency & Msc.	164	− 7
Westwood Dawes	43	− 3
De Beers Defd.	444	− 12

EMS could start next week after France lifts veto

BY ROBERT MAUTHNER IN PARIS

The European Monetary Scheme, whose introduction has been blocked since the beginning of the year, could start next week, President Giscard d'Estaing of France said yesterday.

The President was speaking after the Cabinet decided France should lift its reservations on implementation of the new exchange rate and chance following the compromise agreement reached in Brussels by eight EEC members of farm pricing arangements.

A report on the Brussels negotiations was made by Mr. Pierre Mehaignerie, Agriculture Minister.

The President told the Cabinet that the UK's refusal to accept the compromise on the dismantling of monetary compensatory amounts, the subsidies and levies on farm trade within the Community to offset exchange-rate fluctuations, should not be an obstacle to the introduction of EMS.

Since Britain did not intend to join the new currency system for the moment, the other members could go ahead without her.

The UK's stand in Brussels was criticised at the Cabinet meeting. A statement issued said that "the French Government, like its seven partners, considered the British position on the problem of fixing farm prices to be unacceptable."

The staement referred mainly to the demand made by Mr. John Silkin, the Agriculture Minister, that the phasing-out of MCAs should be linked to a price freeze on surplus commodities, while production greatly exceeded demand.

The French Presidential spokesman, M. Pierre Hunt, said that the EMS could start during the European Community's summit meeting in Paris on Monday and Tuesday. Approval by the nine Heads of Government would not be needed to enable the system to start.

President Giscard, who with West German Chancellor Helmut Schmidt is the main architect of the EMS, considers the monetary system to be one of the Community's greatest achievements since the enlargement by the entry of Britain, Denmark and Ireland. He has been anxious that it should be introduced while France is in the chair of the Community's Council of Ministers.

The Brussels compromise comes at an opportune moment for the President, whose economic policies and industrial restructuring schemes are under attack by both the Gaullists and Left-wing opposition parties.

The fact that the powerful French farming lobby has been placated may do something to offset the sharp criticism that

Continued on Back Page

HOW IT WILL WORK

The European Monetary System will initially consist of an exchange rate mechanism, backed by extensive credit facilities, in which the currencies of all EEC members, apart from sterling will be closely linked to each other. Detailed proposals for EMS were first put forward last July at a summit of EEC leaders in Bremen. After lengthy negotiations approval for the go-ahead was given by a further summit in Brussels early last December, at which Britain announced its intention of not linking sterling to the other currencies. In late December France unexpectedly blocked the scheduled start on January 1.

UK can go on fighting —Silkin

BY CHRISTOPHER PARKES

BRITAIN EMERGED from this week's Council of Ministers meeting in Brussels with a guaranteed 5 per cent price increase for farmers and with its ability to continue fighting for a freeze on common farm prices unimpaired, Mr. John Silkin, Minister of Agriculture, claimed yesterday.

For the rest, he said, there was only a worthless "gentlemen's agreement" on a Commission proposal for the semi-automatic phasing out of monetary compensatory amount taxes and subsidies on intra-Community farm trade.

"The eight other member countries agreed among themselves to behave as though the proposals were in force," Mr. Silkin told the Commons. "This is a decision for those member States but it has no effect in Community law.

"It in no way affects our ability to get a sustained freeze of common prices, nor have we accepted the automatic reduction of our own MCAs."

In any case, he could not see how the agreement could be made to work while he continued to block all increases in common farm prices, he told a Press conference.

Phasing out MCAs in West Germany, Holland and Belgium would have the effect of cutting farmers' prices in those countries. Increases in common prices, the Commission proposal says, would be applied to offset the MCA reductions.

But since Mr. Silkin flatly refuses to contemplate such increases, and given German insistence that farm incomes should not fall, the gentlemen's agreement appears to be unworkable.

"I don't know how they can dismantle MCAs while we won't allow them to raise common prices," the Minister said.

The Minister said he expected the 5 per cent devaluation of the "Green Pound"—the special exchange rate for sterling against the agricultural unit of account in which EEC farm prices are fixed—to take effect from the end of the month.

Support prices for beef and dairy products would rise immediately and prices for other commodities would probably be changed at the start of the respective marketing years.

Parliament, Page 12

£ in New York

—	Mar. 6	Previous
Spot	\$2.0240-0250	\$2.0225-0230
1 month	0.47-0.42 dis	0.50-0.45 dis
3 months	0.90-0.85 dis	1.01-0.96 dis
12 months	3.15-3.00 dis	3.20-3.00 dis

NUPE plans to step up health dispute

BY OUR LABOUR STAFF

THE National Union of Public Employees executive yesterday voted to fight on for a better settlement in the hospital and ambulance workers dispute as the Government set up the standing commission which it hopes will resolve public sector pay problems.

Professor Hugh Clegg of Warwick University will chair the commission and its first inquiries will be into the local authority, hospital ancillary workers, ambulance and university manual workers disputes. These public sector groups have been promised 50 per cent of any increases awarded by the commission in August and the remainder in April, 1980.

However, the NUPE executive—faced with a 4—1 vote by its hospital members against the peace formula and 7—1 rejection in the ambulance service—decided yesterday to keep the action going. NUPE leaders will today make plans to step up the action in the health service. Action will also be continued among ambulance men but they are again being instructed to maintain emergency services.

The ambulance settlement was also rejected yesterday by members of the Confederation of Health Service Employees although their hospital members voted to accept.

NUPE members working for local authorities have, like those in other unions, accepted the settlement and all action in this dispute should come to an end this week. But the four unions involved now face difficulties in deciding their next moves in the health and ambulance disputes.

Mr. Alan Fisher, NUPE general-secretary, pointed out that the number of NUPE ancillary hospital workers alone rejecting the offer—more than 113 000—was about half the workforce. This, he said, was something the other unions must take into account when deciding the next move.

In the ambulance dispute, General and Municipal Workers Union members have voted to accept the offer and Transport and General Workers members are being recommended to accept in a ballot which will be declared today.

The Prime Minister made it clear in the Commons that he expected the new Standing Commission to become a normal part of the long-term machinery for pay negotiations in the public sector.

"These new arrangements should help up in future years to avoid the dislocation and hardship that the public has suffered in recent weeks," he

Prof. Clegg: Leading Commission

said.

"This is a difficult area in which to determine proper rates of pay but I believe that these arrangements will commend themselves to the public as a sensible way forward."

The Prime Minister's statement was given a sceptical reception by Mrs. Margaret Thatcher and other Tories and drew some criticism from Labour Left-wingers fearing a move towards a permanent incomes policy. But Mr. Callaghan presented the establishment of the commission as the first fruit of the Government's new agreement with the TUC.

The Confederation of British Industry last night said it was concerned that the standing commission, which might have "a useful part to play in the long-term reform of pay determination" would fail because of the political and industrial circumstances in which it had been created.

But the TUC, as well as the Government, is keen to see the standing commission survive beyond its immediate task of solving the public service disputes. Discussions are planned between the TUC and the Government about whether the commission should be extended to include other public sector review bodies, such as those for doctors and dentists and the armed forces, and whether it might hear "special cases" brought by workers in the private sector.

● Education authorities and teachers' unions agreed in London yesterday to study the possibility of referring the teachers' 1979 pay award to the new commission

£300m investment urged for electronics industry

BY MAX WILKINSON

A £300M investment programme, including large Government subsidies, is needed to prevent further decline in the UK consumer electronics industry, according to a report presented to the National Economic Development Council yesterday.

The report, which has been backed by the Government, suggests that Japanese technology should be the basis for a large part of the rescue operation.

The strategy drawn up by the consumer electronics working party of the NEDC was based on a specially commissioned report by the Boston Consulting Group.

It envisages a major restructuring of the UK consumer electronics industry into three large groups. Only one of these groups, based on Thorn, would be entirely UK-owned. The second group would be Dutch-owned Philips. The third group would be dominated by the Japanese, either through UK manufacturing subsidiaries, or in joint venture companies.

The report says that UK production must be concentrated in plants with a capacity of about 500,000 television sets a year to achieve the economies of scale needed to compete with Far Eastern manufacturers.

Of the nine manufacturers in the UK, only Thorn and Philips at present had the sales volume needed to justify factories of this size.

However, four of the five major Japanese companies making television sets have now moved into the UK — two with manufacturing subsidiaries, and two in joint ventures with British companies. It is believed that all these Japanese ventures are capable of expanding productin to the critical size.

The report does not spell out the consequences of the proposed £300m investment, which would be phased over five years. However, the assumption is that production in the UK would be almost doubled to about 3m colour sets a year, of which about 1m would be exported.

Not all the investment, however, would be in colours set production. The working party is anxious to see more production of audio equipment and home computers.

Yesterday, Sony said it would double investment in its television manufacturing plant in Bridgend, Wales. This was not caused by the working party's strategy, but the investment seems to be in line with its main arguments.

The Boston group's study showed that lack of investment in product design and production equipment was likely to lead to a further loss of market share by UK manufacturers unless remedial action was taken.

However, the analysis showed that UK manufacturers were competitive in overall terms with their counterparts in West Germany.

An increase in UK production would need to be matched by improvements in export marketing, the quality of UK-made components, and by the establishment of a technology centre for the UK industry, the report says.

The main purpose of the technology centre would be to ensure that the UK continued to keep a stake in the development of new products, components and production techniques.

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Editorial comment Page 22

S. African white miners strike

BY QUENTIN PEEL IN JOHANNESBURG

WHITE MINERS throughout South Africa's mining industry went on strike yesterday, in a nationwide protest against the promotion of black workers.

This unprecedented action—the most widespread stoppage by white miners since the National Party Government came to power in 1948—could cause total confrontation with the mine owners, who said last night that the strikers had dismissed themselves by their action.

The immediate cause of the one-day stoppage by up to 15,000 members of the all-white Mineworkers' Union is reported to be sympathy with an official strike by 150 union members at the U.S.-owned O'Okiep Copper Mine in Namaqualand, Northern Cape.

But miners indicated they were also giving a warning against any further attempts to abolish job reservation for whites in the mines.

The Chamber of Mines, which represents all the main gold, coal and precious metal mining houses, said only a handful of pits were unaffected by the action.

A meeting of the Gold Producers' Committee (the industry's governing body) decided that the action was totally illegal, and all the workers involved had automatically termined their employment, and would forfeit all accumulated privileges.

No indication came yesterday of the extent of lost production in the mines. Blasting is the key job performed by the striking men—and the one they are determined to prevent black workers being trained to do.

But as long as mine officials are prepared to do the blasting, immediate production levels need not be affected.

At the O'Okiep copper mine—majority-owned by Newmount Mining of the U.S. with AMA holding a 17 per cent stake—the MWU and management appear to be at stalemate in a dispute over the promotion of coloured (mixed race) workers.

Crisis in S. African mines, Page 4

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McNamara in W. German aid talks

BY ROGER BOYES IN BONN

MR. ROBERT McNAMARA, the president of the World Bank, held talks here yesterday with Chancellor Helmut Schmidt and other Ministers about the level of West German contributions to international aid agencies.

West German officials also see the talks as paving the way for the United Nations Conference on Trade and Development meeting in Manila in May, which may prove to be a watershed for Bonn's aid policies.

The two main inter-related issues on the agenda deal with the International Development Agency (IDA), an arm of the Word Bank. Mr. McNamara is seeking to top up the agency's capital fund which makes it possible for the IDA to give interest-free, 50-year credits to the poorest Third World Countries.

West Germany gave about DM 2bn (£531m) towards the agency fund — over 10 per cent of the total for the period 1977-79 but it probably will be expected to contribute more for the next three-year span, because of the recent large outflow of capital.

The second issue which Mr. McNamara will discuss with Herr Hans Matthoefer, the Finance Minister, is a proposal to double the overall capital base of the agency to $40bn.

West Germany, as one of the largest World Bank contributors, supports the principle of a larger capital base, but its exact contribution to the expanded total is still uncertain.

Apart from these issues, Mr. McNamara will discuss the Manila UNCTAD meeting. Preparatory talks for the meeting are due to begin in Geneva next week and the Germans will have to decide their strategy beforehand.

West Germany is expected to come under fire from some Western and Third World countries for the relatively small size of its official aid programme. Although Bonn believes that the internationally agreed level of 0.7 per cent of gross national product is correct, it has so far been able to allocate only about 0.3 per cent towards official aid.

Bonn, by way of defence, stresses that its private business concerns contribute much to Third World economies and that it makes a substantial contribution to multilateral aid programmes, such as those organised by the World Bank.

Mr. McNamara is expected to argue in Bonn during his three-day visit that if the Germans made a large contribution to the IDA, they could forestall the anticipated criticism at the Manila meeting.

David Satter visits Murmansk, the USSR's Arctic metropolis

Russia's 'civilised North'

THE LOW-LYING Arctic sun burns through the white mist for only a few hours in mid-winter as Murmansk, the world's largest city north of the Arctic circle, emerges from the total darkness of three months of polar nights.

Beyond the pillared stone buildings on Lenin Prospekt, the city's main street, the railway yards and massive harbour, with its steam-shrouded cranes and ocean-going ships, testify to the accident of geography which is the city's *raison d'etre*.

Although 69 degrees north, Murmansk has the only ice-free port in North European Russia at the eastern end of the Gulf Stream. The city has become, perforce, a social laboratory for testing man's ability to thrive in arctic conditions.

Murmansk is 1,000 miles north-west of Moscow at the top of the sparsely populated Kola Peninsula. There are no nearby cities of any consequence and, with little in the way of cultural facilities, Murmansk is one of the most isolated cities of its size in the Soviet Union.

The most difficult adjustment for Murmank's new residents, however, is getting used to three months of total darkness between mid-October and mid-January. This is followed by a three month period in the summer when there is no darkness at all.

Under these conditions, Murmansk could have the same difficulty holding population as new cities in remote areas of Siberiar. But although 5,000 to 6,000 persons leave Murmanks every year, the city's population has grown by 8,000 a year since 1959. This is a tribute to the complex of economic, health and recreational measures designed to keep it functioning.

The most important incentive to work in Murmansk is economic. On arrival a worker receives a 40 per cent pay increase, raised at six monthly intervals by 10 per cent, until, after four years, he is earning at least 220 per cent of what he would have earned at a job further south.

Murmansk is what its residents call the "civilised north" to distinguish it from cities in Siberia where conditions are primitive. There is a housing shortage in Murmansk, as elsewhere in the Soviet Union, and many live in communal flats.

But the housing stock is modern and with 400,000 inhabitants, Murmansk boasts the largest library and the only trolleybus service north of the Artic Circle.

This winter in Murmansk has been one of the worst in memory with temperatures hovering around −30 centigrade. For the first time in 13 years, passenger ship transport to the port, a major transit point for Soviet goods shipments, actually stopped on February 14.

Despite difficulties, however, the port, which was the destination of Allied convoys during the Second World War, was soon operating again and this reliability in a country largely frozen in winter is what has made Murmansk an essential urban centre.

The impressive harbour is used extensively by the Soviet northern fishing fleet, which is serviced by Sevryba, the Soviet Union's largest fish processing combine. Although the catch from the Barents Sea is declining after years of over-fishing, Murmansk remains one of the Soviet Union's biggest fish centres.

The Soviet naval presence is even more important but less obvious. The northern fleet in Murmansk and the nearby submarine base of Severomorsk constitutes the greatest concentration of naval military power in the world. Western intelligence places the strength of the northern fleet at 51 surface ships and 126 submarines, of which 54 are nuclear powered.

The use by commercial and military shipping of the fiord like Kola Bay is so intensive that there is no place on the bay set aside for recreational purposes. It is this concentration of activity, carried on for months in sub-zero cold and often in conditions of total darkness, which is made possible ultimately by the social measures to maintain Murmanks in a desolate area where snow falls 10 months out of the year and trees only reach sapling size after 65 years.

The most important incentive to work in Murmansk is economic. On arrival, a worker receives a 40 per cent pay increase raised at six months' intervals by 10 per cent, until, after four years, he is earning at least 20 per cent of what he would have earned at a job farther south.

The number of people employed in the fishing industry is expected to decrease with technological improvement and the declining catch in northern waters. Plans call for the development of light industry, including knitted ware, manufacturing and the opening of a vodka factory to save the cost of transporting bottles 900 miles up the railway line.

The goal of holding population in the far north would probably not be achieved, however, were it not also for Murmansk's comprehensive health care system. The long Polar night and a period in February and March when the sun shines but gives off no ultra-violet rays can cause severe vitamin deficiencies. These are warded off by ultra-violet lights in factories and schools and daily vitamin doses for every Murmansk resident at "health points."

In the summer, Murmansk becomes a city without children as virtually every child is packed off to pioneer camp in the south. Adults have 42-day holidays — twice what they would have in the south. People come to Murmansk in their twenties, spend 30 or more years of their lives there, and then leave the city for a more comfortable existence further south.

The state encourages this. Salaries are high in Murmansk and so pensions are also generous. The retirement age is 55 for men and 50 for women compared with 60 for men and 55 for women in the rest of the USSR.

New lorry rules

REGULATIONS to reduce damage to bridges by tall vehicles, have come into force. They require the overall height, including load, to be shown in the cabs of some vehicles if it exceeds 12 ft as a reminder to drivers.

The vehicles include mobile cranes and lorries carrying machinery.

Industrial unrest growing in Italy

By Rupert Cornwell in Rome

THE WILDCAT strike by air hostesses and stewards which has paralysed flights by Alitalia and the domestic airline Itavia moved into its 16th day yesterday with no sign of breakthrough.

The stoppage, to back sweeping demands for improved working conditions, shorter hours and improved fringe benefits, has been organised by the so-called "battle committees" at Rome airport. It has been disowned by the official unions representing the strikers.

The national airline has so far flatly refused to enter into negotiations — despite losses estimated at more than L1bn (£600,000) per day—on the grounds that rampant absenteeism is at the root of the trouble. The Transport Ministry has tried in vain to mediate. It is now insisting that the union regains control over its own members, and will not deal directly with the committees.

Further meetings of the strikers were due this evening at Fiumicino Airport. But unless they decide to suspend their action, a journey in Italy, an uncertain proposition at the best of times, will remain an odyssey.

The airline deadlock is merely the most spectacular of a growing number of problems on the industrial front. Most are related to the difficult wage contract negotiations under way in key sectors, and are made no easier by the absence of an authoritative government to lend its good offices.

Engineering union workers yesterday organised a "day of protest" at Fiat plants up and down Italy over the car group's plans for investment in the depressed south. Building workers and manual labourers have also staged strikes in the past few days over their own contract negotiations.

The main engineering unions, representing 1.5m workers at companies like Fiat, Olivetti and Alfa Romeo are planning a further 18 hours of strikes this month to back up their 1979/81 claims, which include a shorter working week, increased pay and a greater say in management decisions.

The three biggest unions for their part have broken off joint talks with the employers federation, Confindustria, amid deadlock over youth unemployment, job mobility and unregistered labour. It appears that the unions aim to secure from individual employers the concession they were finding it hard to wring from Confindustria.

Bonn concern over workload of politicians

By Adrian Dicks in Bonn

CONCERN HAS again been expressed in Bonn about the workload of senior politicians, following the admission to hospital on Tuesday evening, for the second time this year, of Herr Hans-Dietrich Genscher, the Foreign Minister and leader of the Free Democratic Party (FDP).

Herr Genscher, who will be 52 this month, is suffering from a recurrence of the heart irregularity that kept him from his January and February. An FDP duties for three weeks in late party spokesman said he was expected to be well enough to leave hospital in a few days, but would have to convalesce at home.

As Foreign Minister and head of the junior coalition party, Herr Genscher carries an especially heavy burden. He was taken ill on Tuesday after paying a call on the retiring federal President, Herr Walter Scheel, in the hopes of persuading him to run for a second term as the coalition's candidate.

Later this week, Herr Genscher was to have led the Bundestag debate on disarmament, to have entertained several distinguished foreign visitors and to have fulfilled a punishing electoral programme in connection with the three forthcoming state polls, in which the FDP's very survival cannot be taken for granted.

Meanwhile, this week has seen the return to Bonn of Herr Willy Brandt, the former Chancellor and Social Democratic Party chairman, who suffered a more serious heart disturbance before Christmas and has been recuperating in the south of France.

EEC output grows 2.3%

LUXEMBOURG — Industrial production in the Common Market grew by 2.3 per cent in 1978, the Community's statistics office said yesterday. This compares with 2.2 per cent in 1977 and 7.3 per cent in 1976.

In the first half of last year, industrial growth in the nine EEC members slowed down sharply, but it picked up in the second half, so further expansion can be expected in the early months of 1979.

Reuter

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NUCLEAR POWER IN IRELAND

Fear fuels the protesters

BY OUR DUBLIN CORRESPONDENT

DELEGATES TO the annual conference of Ireland's ruling Fianna Fail party last month were treated to the spectacle of two Cabinet Ministers publicly changing their minds.

Modifications to a proposed levy on farm produce announced by Mr. George Colley, the Finance Minister, received the most publicity. But of equal significance was the announcement by Mr. Desmond O'Malley, the Minister of Industry, Commerce and Energy, of a public inquiry into the proposal to build Ireland's first nuclear power station.

Mr. O'Malley's previous position was that planning regulations plus the need for enabling legislation would ensure sufficient opportunity for public debate. But he seems to have become concerned at the extent of public ignorance and fear on the subject of nuclear power.

The fears have been exacerbated by the nature of the anti-nuclear campaign. With some notable exceptions—some leading trade unionists and scientists—the campaign has been led by a strange alliance of environmentalists, proponents of alternative lifestyles, and the radical Left.

Almost everyone has welcomed the decision to hold an inquiry but the intelligent opposition, with Windscale in mind, is doubtful about the chances of actually preventing the construction of the power station.

Certainly, last July's Government Green Paper saw little alternative to building at least one reactor.

The country's dependence on imported oil is worrying. Oil is responsible for 75 per cent of electricity generation, but Ireland has no proven oil reserves.

The country's limited indigenous fuels—peat and coal—together with hydroelectric stations, accounted for only 20 per cent of the total energy demand in 1977.

Few would quarrel with the Green Paper's assertion that the dependence on imported oil should be reduced. The only possible short-term alternative is imported coal, and there are plans to build a coal-fired power station with an initial generating capacity of 300 MW, which could be converted to oil in the event of the discovery of a major field in Irish waters.

But the Government is worried that this would still leave Ireland too dependent on imported fuel, even allowing for Britain's substantial proven coal deposits. One of the attractions of a nuclear plant is that three years' supply of fuel can be stocked easily whereas it is hard to store a supply of coal intended to last for more than a few weeks or months.

The Irish Government's decision to hold an inquiry into the plan to build a nuclear power station is in response to rising public fears about safety. The Government, however, is more worried by the country's dependence on foreign oil, which is likely to be increased if economic growth targets are met.

The second line of the Government's argument is that Ireland can expect substantial economic growth and therefore will use substantially more energy between now and 1990. The Green Paper suggests that electricity demand will rise by not less than one-third in the period.

Total energy demand should rise by the equivalent of 18m tonnes of oil equivalent, says the Paper, and the result will be "a large energy gap which must be filled in one way or another."

Critics of the Paper have challenged these assumptions. First, they suggest that a projected economic growth of 7 per cent a year between now and 1980, and 5 per cent thereafter, is unduly optimistic.

They question whether, even if the economy does grow so quickly, energy demand will rise at the same ratio as it did for most of the post-World war II period.

This line of argument has been strengthened by a recent, though distinctly controversial, report from Britain which suggested that the UK economy could grow at a reasonable rate between now and the end of the century yet leave energy demand static because of improved conservation techniques.

The Green Paper allowed for a saving in demand of 10 per cent through improved conservation in the next decade.

Most of the opposition has centred on the possible dangers of a nuclear station and the problems of waste disposal. The Electricity Supply Board (ESB) has argued that the dangers are negligible and that the waste problem probably will have been solved by the time waste is produced.

But their case has suffered a setback with the result of the Austrian referendum not to proceed with nuclear generation and an apparently growing body of opinion in the U.S. that nuclear stations may be more dangerous, and the waste disposal problem more intractable, than had been thought.

The ordinary person—and indeed hardly anyone outside the ESB—does not have the expertise to weigh up accurately the pros and cons. In the end he is as likely to be swayed by decisions taken abroad as by what is said at home. Moreover, the Bantry disaster made many people realise that experts' assurances are not always cast-iron.

In the meantime, the ESB has chosen its site, at Carnsore Point, on the south-east coast, and may shortly make up its mind on the type of reactor it wishes to buy. The Board hopes to commission a 650 MW station in 1987-88 at a cost of around £350m at 1977 prices.

The volume of protest is likely to grow rather than diminish before then. As in Scotland, the bulldozers are likely to find more scrub and trees blocking their way if they finally move in on Carnsore Point.

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Andreotti in final bid to stave off a spring election

BY RUPERT CORNWELL

SIG. GIULIO ANDREOTTI, the outgoing Italian Prime Minister, yesterday undertook to form a new government to face a parliamentary vote of confidence, in a final bid to stave off a premature general election this spring.

And in a move which represents a marked constitutional departure, Sig. Sandro Pertini, the Italian President, designated Sig Giuseppe Saragat, the former President, and Sig. Ugo La Malfa, leader of the Republican Party, as Deputy Premiers in the new administration.

The decision of Sig. Pertini yesterday cme as a complete surprise here. It offers the last hope, albeit strictly limited, of finding a way round the political stalemate which has seemed to make elections a certainty.

Everything now depends on whether Sig. Andreotti can break the deadlock between the Communists (PCI) and Christian Democrats. This in turn hinges on whether the biggest parties can agree on the key issue of two left-wing independent Ministers in the new government.

Sig. Sargat yesterday made his participation in the new government conditional on the presence of independents. If they do not participate, there appears no way in which either Communists or Socialists could back Sig. Andreotti. The premier designate would then be consigned to defeat.

But while the Communists have indicated they could go along with a government containing non-PCI left-wingers, the Christian Democrats have hitherto flatly refused to countenance the idea, on the grounds that such Ministers would merely be "camouflaged" Communists.

The re-nomination of Sig. Andreotti came after 48 hours of feverish activity here, which showed the impossibility of rebuilding a variant of the old Centre-Left formula, including the Socialists, but with the Communists in opposition. General elections in early May, despite protestations of horror at the prospect from all major parties, had seemed hourly more likely.

Sig. Pertini however, has insisted all along that it is his duty to explore every means of avoiding them, and yesterday's events are seen as his final attempt to hold the politicians to their word. Two likely sequences of events remain.

Either Sig. Andreotti in the course of his consultations with the parties in the outgoing Parliamentary majority will win approval for a government containing left-wing independents, one of whom almost certainly would be Sig. Altiero Spinelli, the former Italian EEC Commissioner, who was elected to Parliament on a PCI list although he is not a member of the party.

In that case, the Prime Minister-designate would be able to build an administration backed by Christian Democrats, Republicans, Social Democrats and Socialists, with at least Communist abstention.

If he fails, Sig. Andreotti is nonetheless committed to submitting whatever government he can form to a vote. In the event of defeat, his stillborn administration would then have the task of organising elections, for which the date of May 6 has been widely pencilled in.

The crisis, now into its sixth week, will not help the Italian authorities to tackle the threat of a new upsurge in inflation, to which a number of indicators here have drawn attention in recent days.

This risk is weighing heavily on the chances of the current economic recovery lasting through the year. Istat, the Statistics Institute, reported a January rise of 4.8 per cent in industrial output last night, and orders in hand make it likely that the upswing will continue until mid-1979.

The recent rapid increase in both wholesale and retail prices, however, makes the prospects thereafter uncertain.

French seek to modify key part of Euratom Treaty

BY GUY DE JONQUIERES IN BRUSSELS AND ROBERT MAUTHNER IN PARIS

FRANCE intends to send a Memorandum to its European Community partners asking for modification of a key chapter of the Euratom Treaty which seriously restricts its independent nuclear policy.

The French would have been content to let sleeping dogs lie if the European Commission and Court of Justice had not started to demand strict interpretation of the treaty, in sharp contrast to the leeway previously accorded to member-States.

In effect, France wants to end the absolute control of the Euratom supply agency over nuclear fuels produced in the Community, on which it has a right of option under the treaty, as well as the agency's exclusive right to conclude supply contracts for nuclear ores and fissionable materials.

The French Government, harrassed by the Gaullist Party which argues that the Eurotom Treaty makes a mockery of France's independent nuclear force and its civil nuclear projects, has been struck particularly by two recent decisions by the Brussels Commission and the European Court of Justice.

The first was the Commission's veto of a proposed uranium supply and nuclear safeguards agreement between the UK and Australia, on the grounds that member-countries were prohibited by the treaty from signing bilateral contracts.

The French, who saw their own nuclear independence threatened and were keen to conclude similar bilateral agreements, were even more upset by this ruling than the British.

The second was a ruling by the European Court of Justice last November that only the European Community, as distinct from individual member-States, could sign an international atomic energy agency convention on safeguards for the transport of nuclear materials.

What made things worse, as far as France was concerned, was that the court's ruling also included some strong language on the need to respect the controversial Chapter Six of the Euratom Treaty, which the French want to modify.

Changed conditions

France, which argues that the new nuclear fuel enrichment and reprocessing facilities developed by some Community members, including itself have completely changed the conditions under which the original treaty was signed, is basing its demand for modification on Article 76 of the treaty.

This states that the Community's Council of Ministers may, on the suggestion of a member-State or the Commission, amend the provisions of the contested Chapter Six.

It adds that the council may, also, after seven years after the treaty comes into force, confirm the provisions of the chapter. Failing such confirmation, new provisions should be adopted.

Since the council did not confirm the provisions after seven years, France at first claimed that the whole chapter was invalid. This interpretation was rejected by the Court of Justice, but the French still maintain they have the right to ask for amendments.

While full details of their proposals are not yet available, officials said French wanted to end the monopoly of the Euratom supply agency and give it no more than an ancillary role.

The French also want to protect their industrial interests, particularly, the international links of their nuclear industry.

In Brussels, there has been mild relief that France has dropped its earlier aim of a wholesale revision of the Euratom Treaty and is now apparently seeking a more limited "adaptation" of its more restrictive provisions through the mechanism laid down in Article 76.

But it is not clear that the distinction between these two tactics will be very great in practice. It is also feared that the French demands, if pushed too far, could provoke strong opposition from a number of its EEC partners — not least Germany. The result could be a politically-charged row which could split the Community.

Much will depend, of course, on the precise proposals advanced by France and the terms in which they are couched.

But there is some resistance, in Bonn and the Benelux capitals, to the idea of tinkering with the EEC treaties at all, lest this lead to the unravelling of other strands holding the Community together.

Critics of France may well point out, too, that the EEC has tried on three previous occasions —most recently four years ago —to agree on adaptation of the Euratom Treaty under the provisions of Article 76, but that each time the discussions became bogged down.

Behind these objections lies a deeper suspicion about France's motives. The smaller countries, particularly Belgium, fear that Paris may want to undermine one of the central principles on which the Eurotom Treaty is founded—the creation of a single market in nuclear supplies.

They are concerned that France may use its political weight as a military nuclear power to acquire commercial advantages in the civil nuclear field, and perbaps dictate to its EEC partners the terms on which it is prepared to carry out operations such as the reprocessing of spent nuclear fuel.

Such questions also worry Germany, which has traditionally insisted that there should be no discrimination between EEC states in the civil nuclear field.

Against this, it may be argued that the far-reaching monopoly powers over civil nuclear supplies vested in the EEC by the Euratom Treaty have never been exercised, and that in any case they were designed in an earlier day.

Single industry

Moreover, France would no doubt assert that the creation of a single EEC nuclear industry envisaged by the Euratom Treaty is unlikely to be realised in the foreseeable future.

The French viewpoint, with its emphasis on national independence in the nuclear field, evidently strikes a chord with the UK. But the British Government has so far hesitated about throwing its weight behind the French demands.

This reluctance apparently stems in part from uncertainty about what exactly France has in mind, and also partly from the suspicion that it is motivated by a hostility towards U.S. "nuclear imperialism," which the UK does not share.

The EEC Commission is acutely aware that it could be caught in an awkward political cross-fire between France's demands and the obligations imposed on Brussels by the European Court decision last year to enforce the Euratom Treaty provisions more fully.

A special task force has been set up inside the Commission to try to search out grounds for compromise. But at present, officials appear undecided whether to lend support to the French case or rather, to try to work out a more flexible formula for applying the treaty's provisions as they stand.

Plan to reduce jobs at Lisnave agreed with unions

BY JIMMY BURNS IN LISBON

LISNAVE, PORTUGAL'S ship-repairing plant, is making cuts in its 10,000-strong workforce in an attempt to make the company more profitable, industry officials confirmed yesterday.

According to a plan agreed by management and unions, Lisnave will reduce its labour force by 1,000 this year through an early retirement scheme, which modifies that defined until now by Portuguese law.

Workers at the company have been eligible for retirement only after working for 35 years or after reaching the age of 60. The first figure has now been reduced to 10, while the age of retirement has been left optional.

People who retire as a result of the latest cutback will continue to receive their full salaries in compensation for the next two years.

Although orders at Lisnave have been increasing in recent months, the company has been adversely affected by the depressed state of industry internationally, rising costs and the domestic credit squeeze.

Lisnave, whose operations account for some 5 per cent of Portugal's total export earnings, is expected to record a loss of some Es 500m (£5.18m) for 1978, compared with a loss of Es 241m (£2.49m) in 1977.

The latest cutbacks expected to take place in two phases, are clearly the product of a compromise between management and unions in a politically sensitive area of Portuguese industry.

The privately-owned Lisnave was at the centre of industrial militancy during the revolutionary upsurge here in 1975, and crippling stoppages resumed last year.

Significantly, details of the early retirement scheme are now only beginning to emerge after having been veiled in secrecy since discussions began last month.

Foreign investors hold off

BY OUR LISBON CORRESPONDENT

LACK OF incentives and the continuing political instability here are still dissuading foreign businessmen from making substantial investment in Portugal, according to an inquiry published yesterday by the leading state-owned newspaper, Diario de Noticias.

The survey was carried out among representatives of all the major chambers of commerce here, including the West German, U.S. and British chambers, which between them represent the largest volume of potential foreign investment in Portugal.

The main issues raised were Portugal's labour laws, which make it difficult to dismiss staff, restrictions on capital transfers, and the Government's strict prices policy.

While accepting that the foreign investment code, published two years ago, had helped create a "more generous climate," investors are still troubled by the Government's failure to settle the question of indemnities for companies nationalised, or seized illegally by workers, following the 1974 revolution.

Meanwhile, the Parliament yesterday announced that debate on the budget and short-term economic plan had been delayed for another week until March 19.

Giscard may try to delay special Assembly session

BY ROBERT MAUTHNER IN PARIS

THE EXTRAORDINARY session of Parliament, demanded by M. Jacques Chirac, the Gaullist leader, to debate the unemployment situation, is expected to take place later this month.

The Communists have now joined the Gaullists and Socialists in signing the identical letetrs required by the Constitution for the recall of Parliament for a special session. The Gaullist leader's demand is therefore certain to obtain the signatures of the necessary absolute majority of National Assembly Deputies.

The only question over the session is whether President Giscard d'Estaing will sign the decree convoking Parliament. But, given the present climate of industrial unrest and discontent, it is expected that he will comply with the wishes of the majority of the country's elected representatives.

The President will not make his decision, however, until Sunday, after his return from an official visit to Romania. Since the National Assembly is, in any case, due to be recalled for a normal session on April 2, the President could well try to delay the extraordinary session until just before than date. That would be an attempt to show the country that the whole exercise was no more than a political manoeuvre.

Meanwhile, M. Chirac, whose prestige took a knock earlier this week when his closest political adviser, M. Yves Guena, a former Minister and secretary-general of the Gaullist Party (RPR) resigned, has moved quickly to repair the damage.

By appointing M. Claude Labbé, the leader of the Gaullist parliamentary group, to succeed M. Guena, M. Chirac clearly hopes to defuse some of the criticism of the way the party is run.

Steelworkers battle with riot police

DENAIN — Steelworkers whose jobs are threatened by government plans to restructure the industry fought steet battles with riot police yesterday after they tried to storm the main police station here.

A crowd of about 1,500 brought up bulldozers in an attempt to smash down the door of the building in tis industrial town near the border, eyewitnesses said.

A strong force riot police beat off the attack under a hail of stones from angry demonstrators. Two steelworkers were reported seriously hurt in the fighting.

The steel restructuring plan would mean an estimated 21,700 redundancies nationwide by the end of next year. Denain and the town of Longwy in Lorraine would be the places worst hit by the cut-backs.

Reuter

OVERSEAS NEWS

CRISIS IN SOUTH AFRICA'S MINES

Black workers still face 1922 demarcation

BY PAUL CHEESERIGHT RECENTLY IN JOHANNESBURG

"WORKERS OF the world unite—and fight for a white South Africa." The slogan, as it happens, was adopted by a commando of the white Mineworkers Union in 1922 when there was a bloody strike against the plans of the gold mine owners to set aside certain categories of semi-skilled work for black employees.

Such an exclusive view of proletarian solidarity would now be just a curiosity were it not for the fact that the present leaders of the Mineworkers Union adopt precisely the same attitude in the face of what is these days called black advancement—a movement which would create black miners out of black labourers. "We will resist with the same resistance as in 1922," says Mr. Arrie Paulus, the secretary.

There is a strong element of historical continuity in the outlook of the white mine employees towards the blacks and this is enshrined in law. Acts of 1911 and 1926 define what black employees can and cannot do in the gold mines and in effect these maintain the wage superiority of the whites and create an economic colour bar.

Attempts to erode this bar have periodically been made by the mining houses largely because, at least until the 1960s, the application of these acts curbed the use which could be made of cheap labour.

Today black mineworkers total more than 400,000, and they outnumber whites by ten to one. The gold mines are, indeed, the largest employers of black labour in South Africa. The erosion of the colour bar in the mines would therefore have repercussions throughout South African society.

Labour patterns have been changing for some years. As an Anglo American Corporation document of June 1972, signed by Mr. Harry Oppenheimer, the chairman put it: "The fundamental cause is the fact that the economy has expanded to a point where the white population is not capable of manning it in terms of the traditional colour bar system."

The Nationalist Government accepts this to the point that it has embraced a policy against job discrimination as such. But changes, it argues, should be negotiated with the unions. Thus the Mineworkers Union still has considerable power of obstruction.

And the power is solidly based both at a political and industrial level. In the first place the union's Afrikaner leadership has close ties with the Government.

Secondly, the Chamber of Mines, which groups together the seven mining-house employers and acts as the industry negotiating body, is less strong than the sum of its parts. The necessity to establish a unanimous position out of divergent priorities reduces negotiating flexibility and cuts the scope for bold initiative. It is a weakness the Mineworkers Union can exploit.

Arguably the industry has now reached a position from which it cannot turn back, and it is this which weakens the position of the Mineworkers Union at an economic level. Money being spent on higher black wages, improved accommodation and so on is changing the cost structure of the industry at a time when productivity generally is declining. Mines have to be more flexibly run and they need a more stable labour force. Stability and flexibility do not run hand-in-hand with a statutory colour bar.

The total cost of employing black labour in 1977 amounted to 28.6 per cent of operating costs, compared with 16.1 per cent in 1965. Black wages have risen sixfold since 1972 and the gap between them and white labour costs has narrowed.

Mr. Oppenheimer, the best known industry proponent of black advancement whose group produces 40 per cent of South African gold, made clear in 1972 that "actions taken in terms of the labour policy will have to be pragmatic."

The main factor behind early moves to push up black wages was not humanitarian but economic and political. For decades the gold mines had drawn in cheap labour from neighbouring countries—there had been little inclination among the traditionally rural South African blacks to work in the mines.

But in the early 1970s the external political atmosphere began to change.

The first result was a radical redistribution in the racial composition of the black work force which brought the industry face to face with wider movements for social change within South Africa. The gold mines were no longer a local industry using foreign labour but a local industry using local labour.

The second result was that the two lines of an old argument, going back to the turn of the century, began to crumble. In essence these were whether the gold mines would be better off with a large, cheap black labour force or whether there should be a push towards greater mechanisation and the use of more capital-intensive mining techniques.

Since the early 1970s there has been some departure from the first line of argument, which was the industry norm, but only limited movement down the second. Yet the ability of the industry to pay a large black workforce higher rates than at present is intertwined not only with the narrow issue of mechanisation but with the wider question of productivity. Assuming normal business practices, an increased cost in one place has to be met with a decrease in another or a rise in the product selling price.

While the liberation of gold from its old official price of $35 an ounce has given the industry greater financial strength, this has been offset to a considerable extent by the higher tax liability, the escalation in running costs, the generally lower grade of ore which has to be mined, the greater costs of mining deeper and deeper and a shorter working fortnight.

In 1977 South African gold output was at its lowest level for 16 years, and last year was only slightly higher. In short, the industry needs to produce more. Higher production would be the pay-off for higher wages and better working conditions. The industry may acknowledge social responsibility, but it does so only within its own economic context.

The first essential condition for higher production is a more stable labour force. There is little point in training a man for a job if he is only going to work at it for a few months. It is at this point that industry plans run into the problems caused by the Government's homelands policy, the wider application of the colour bar.

Black mine workers come from the homelands on short-term contracts. With family ties and agricultural responsibilites in the homelands, there is little reason for them to adopt permanent, monastic residence in the hostels of the mines. The Chamber of Mines is now offering bonuses for those who will opt for re-engagement. The nearest the mines are likely to come towards a permanent labour force is a circulating body of workers. There is little chance that the system of migrant labour will be abandoned.

But the industry is seeking to minimise the effects of this system by building mine townships so that eventually 10 per cent of the black labour force will be permanently housed. Government regulations at present allow for the housing of 3 per cent, but the industry has so far achieved only 1 per cent.

The opening up to blacks of skilled jobs underground depends on winning the Mineworkers Union's agreement to the abandonment of statutory job reservation, symbolised by a law which gives only whites the right to hold a blasting certificate and thus the right to break up the rock.

Ironically, about the only immediate concession the industry can offer the Mineworkers' Union for giving up what it considers a natural right is a five-day week, the chance to work less when the economics of the situation suggest they need to work more.

Oil majors start talks on Iranian supplies

By Andrew Whitley in Tehran

OIL COMPANIES from around the world, including most of the "majors," have begun negotiations in Tehran on long-term purchase contracts with the National Iranian Oil Company.

Western oilmen are engaged in a high stakes guessing game with each other and with the smaller, independent companies from Japan and Western Europe anxious to exploit the opportunities presented by the loss of the BP-led consortium's privileged position.

Sig. Giorgio Mazzanti, the chairman of the Italian state oil company ENI, is expected in Tehran this week-end. A team from its French counterpart, CFP, may also come shortly. CFP is known to have already opened talks with Iran. At least three Japanese oil concerns, including the Mitsubishi company, have either begun discussions or are expected to do so soon.

The indications here are that the 14 members of the consortium, Iran Oil Participants (IOP), are acting independently in trying to secure their future supplies, folowing Iran's refusal to deal with them as a group.

With NIOC actively "talking up the market," as one foreign diplomat put it yesterday, the "majors" face a difficult dilemma. Unless they initiate serious negotiations for Iranian crude they are liable to lose out to their more aggressive, smaller rivals in the competition to secure a share of what is still an important oil source even if it is only half its previous size. But early interest will also help to maintain the high prices average on spot contracts already signed.

Local reports say NIOC has already concluded five agreements for the export of crude oil. The third shipment since Monday's restart, purchased by Ashland Oil of the U.S., leaves Iran today. Loadings are to take place every other day for the next fortnight.

Production yesterday was said to be up to 2m barrels, which would allow an export surplus of some 1.2m barrels.

Bazargan denies he has quit as pressures grow

BY ANTONY McDERMOTT AND ANDREW WHITLEY IN TEHRAN

REPORTS that Dr. Mehdi Bazargan, the Prime Minister chosen by the Ayatollah Khomeini to head a provisional Government, has resigned, have gained such strength that one newspaper here reported it at length on the front page yesterday. But the Prime Minister's office has denied the resignation.

Two weks ago, however, Dr. Bazargan threatened to resign because of the challenge to his authority by local committees.

This threat, and the latest reports, emphasise again how vulnerable his position is. Fears exist that the troubled political situation could descend into chaos if he resigned, and few observers can think of a successor broadly acceptable to the groups and parties jostling for power.

Dr. Bazargan's weakness stems from the fact that there are two Governments in Iran with little to link them.

On the one hand, there exists the shadowy and unstructured Government by Islamic committees and subcommittees, directed by the Ayatollah Khomeini from Qom, 90 miles south of Tehran.

On the other, there is Dr. Bazargan's Government, formal in the sense that he has a Western-style Cabinet.

But outside these two "Governments" are thousands of self-appointed and unco-ordinated committees, carrying out their own arrests and justice before revolutionary courts, usually in the name of Islam.

Two incidents suffice to show the isolation of the Prime Minister. First, Dr. Bazargan was unaware of the initial executions of generals until the following morning.

Second, last Saturday, armed militiamen arrested Mr. Ahmed Baniahmad, a former Majlis Deputy and long-standing opponent of the Shah, outside the Premier's Office, while he was on his way to meet Dr. Bazargan. Since then, the Prime Minister has been unable to get him out of Qasr Prison.

Most important of all, a constant and embarrassing stream of contradictory statements on policy has come from the Governments in Qom and Tehran.

Dr. Bazargan's Government is under pressure from all quarters. The Left, notably the Islamic radical Mujahedin-e-Khalq, are seeking a presence in the Cabinet. The Ayatollah has pronounced strongly against the Left..

Perhaps the most interesting and potentially powerful challenge came earlier this week when Mr. Hedayatollah Matine-Daftari, a grandson of Dr. Mohammed Mossadegh, the former nationalist Prime Minister, announced the formation of a National Democratic Front.

This swelling of middle-ground nationalistic and secular forces was given a further boost yesterday with the announcement that a new organisation, the Society of Socialists of the National Movement of Iran, had been formed.

This represents the younger and more active members of the National Front, the traditional party of opposition to the Shah, and echoes the views of the NDF. With these two parties in existence, the NF is virtually defunct.

Reuter adds: Iran's bank clearing system is set to resume normal operations on Sunday after a five-month interruption according to central bank officials.

Dr. Ali Movlavi, new governor of the central bank, yesterday mapped out highly conservative monetary policies and said international creditors had nothing to fear.

Iranian private banks would not be nationalised, nor would the foreign role in the Iranian banking system be eliminated, and Iran would scrupulously honour its foreign debt.

Cairo doubts about Carter visit

BY ROGER MATTHEWS IN CAIRO

SEVERAL EGYPTIAN Cabinet Ministers have indicated privately that they will vote against a peace treaty with Israel if it appears unlikely to win the support of other moderate Arab states.

One Minister said yesterday: "I am astonished by President Carter's visit and the fact that he appears willing to risk his presidency on such flimsy grounds. I and several of my colleagues cannot support a bilateral peace treaty which does not form the real basis of a comprehensive Middle East settlement."

As hectic preparations continued in Cairo for Mr. Carter's arrival today, former senior Ministers also said they were bemused by what appeared to them an emotional U.S. decision and by the "colossal effort" that was being made to get President Anwar Sadat's signature to a peace treaty.

They feared that Mr. Carter would be unable to wring sufficient concessions out of the Israelis to prevent a hostile wave of anti-Egyptian feeling in the rest of the Arab world. One present cabinet minister added: "From what I understand of the latest proposals I do not think we can sign a peace treaty and be consistent with everything we have said in the past 18 months. Neither do I think that Israel is willing to sign a treaty that would provide a just solution to the Palestinian problem."

Concern was also voiced at the timing of the U.S. decision to order the aircraft carrier, Constellation, and supporting warships to the Gulf. One senior official said there was a risk that the decision would add to the feeling in the rest of the Arab world that President Sadat was being sought by the U.S. as a replacement for the Shah.

A carnival-style welcome is being planned for Mr. Carter and his party of 500, which includes 200 journalists. It is expected that he will have three formal sessions of talks with Mr. Sadat. He is also expected to address the People's Assembly (Parliament) and to visit Alexandria.

Supreme Court split may save Bhutto

By Chris Sherwell in Islamabad

THE POSSIBILITY emerged yesterday that Mr. Bulfikar Ali Bhutto, the former Prime Minister, might yet escape the death penalty on legal grounds because of a further difference of opinion among the Supreme Court judges hearing a review of the judgment they passed down last month.

The seven-member court then confirmed by a 4-3 majority the death sentence passed on Mr. Bhutto in the Lahore High Court.

In a tense atmosphere in the Supreme Court yesterday, Judge Safdar Shah—one of the three judges who had earlier entered a minority opinion for Mr. Bhutto's acquittal—asked what would happen if one of the four majority judges changed his mind either because of a genuine error in judgment or because he believed that the death penalty was not appropriate.

The question has inevitably intensified the belief here that one of the four judges is indeed reviewing his opinion—a possibility that could mean that Mr. Bhutto might be sentenced to life imprisonment instead of being hanged.

Mr. Bhutto's defence counsel Mr. Yahya Bakhtiar repeated that the original four-three split among the judges constituted sufficient reasons to justify a lesser sentence. He insisted that his point was strengthened by the fact that the three man minority had actually acquitted Mr. Bhutto rather than find him guilty on lesser charges.

The Chief Justice Mr. Anwar-ul-Haque also asked the prosecution for submissions on implications of one of the four man majority changing his mind.

The hearing will be resumed on Sunday.

Belgian paratroop pullout in Zaire strains relations

BY OUR FOREIGN STAFF

BELGIUM'S DECISION to pull its 250 paratroopers out of Zaire next week has provoked more speculation about strained relations between Brussels and Kinshasa. At the same time President Mobutu Sese Seko has announced a Cabinet shake-up which brings Mr. Nguza Karl I Bond back into the Government as Foreign Minister.

The appointment of Mr. Karl I Bond is a remarkable turn in fortunes for a man who was sentenced to death for treason by President Mobutu in September 1977. Observers say that one of the main reasons for the treason charge was the Western Press's insistence on citing Mr. Karl I Bond as a possible successor to the President.

The Belgians say they are withdrawing their paratroopers on March 15 at the end of their training mission. A Foreign Ministry spokesman said it had been planned that the troops should stay for six weeks to help train Zaire's army. But there have been reports that the troops were also there to protect Belgian citizens in the country against the possibility of violence.

The strained relations between Zaire and its former colonial master began with the second invasion of the southern Shaba mining province by Katangese rebels last summer. President Mobutu is thought to bear the Belgians a grudge because the French responded more quickly to his call for foreign intervention to drive out the invaders.

Diplomats say that the return of Mr. Karl I. Bond to office is a hopeful sign. But the recent reports that Zaireans were still evading the strict conditions imposed by the International Monetary Fund team, in the country at present, has reinforced the gloomy predictions about the future of the giant copper- and cobalt-rich nation.

The reports said that £4m worth of the strategic mineral cobalt had been sold on the open market and the receipts had not passed back to the Zaire Central Bank as demanded by the IMF team.

Hanoi attacks 'acts of war'

BANGKOK—Vietnam said yesterday that it would allow Chinese troops to withdraw provided they committed no acts of war, but claimed that these were still continuing.

Radio Hanoi, monitored in the Thai capital, said the Chinese were digging more combat trenches in Cau Bang and Hoang Lien Son provinces and had blown up two bridges in Lang Son province. They were also shelling villages, plundering and looting.

Reliable informants here say elements of the Chinese forces are withdrawing and that there does not seem to be any large-scale Vietnamese counter-action.

In Hanoi, Colonel Nghiem Tuc, a member of the editorial board of the army newspaper Nhan Dan, said there were indications that the Chinese had begun withdrawing some of their troops on Tuesday night. But he added that they still had 16 divisions inside the country. "It is to be seen if all of these withdraw beyond the historic boundary between China and Vietnam."

Mr. Nguyen, Viet Nam vice-chairman of the committee for relations with foreign countries, said the Chinese had failed in their drive to capture major provincial capitals in the north of the country.

Meanwhile, Laos has joined Vietnam and the Soviet Union in accusing China of threatening its security by sending several army divisions to the border.

Reuter

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Texaco rationing air fuel supplies

By John Wyles in New York

TEXACO confirmed yesterday that it is rationing supplies of aviation fuel in the U.S. this month, amid further indications that spot shortages are forcing cancellations of some airline flights.

No main U.S. airline has yet reported any serious disruption of its schedules because of tight fuel supplies. But some are seeking to ease their difficulties by cancelling off-peak services and those with low-load-factors.

United Airlines, the nation's biggest carrier, has scrubbed 429 of its 12,000 weekly flights until the end of this month.

This has largely been prompted by an allocation from Shell which is limiting supplies to the levels of last March.

The number of flights affected is only 3.4 per cent of United's total departures and compares with the cancellation of 4,924 of its flights in January because of the severe weather.

Aviation fuel might have been in short supply this spring even without the problems caused by the shut-off of oil from Iran.

Explaining that it was allocating supplies in the proportion of 80 per cent of deliveries last March, Texaco claimed yesterday that the Iranian crisis had caused a scarcity of light grades of crude oil best suited for refining into aviation fuel.

Most U.S. airlines feel confident the present spot fuel shortages will not seriously affect their activities.

Eastern Airlines says it may cancel 35-40 of its 1,600 daily flights, while Delta has been cancelling a handful. By and large, fuel problems are not affecting the start of many new services following airline de-regulation.

The industry generally believes that the problems will be short-lived and that the Carter Administration's recent de-regulation of aviation fuel prices will spur greater production.

But this may push up increases this year in jet fuel costs from 10 per cent to 15 per cent.

In a possibly related move, United disclosed yesterday that it is applying to the Civil Aeronautics Board for a general 1.2 per cent increase in fares from mid-May. The increase was necessitated by rising costs, including fuel and labour, it said.

Arthur Sandles adds from Denver: Serious problems for the world's travel industry look increasingly likely this summer. Airline fuel shortages and price rises are already affecting the industry and hoteliers, resorts and tour operators are worried.

U.S. airlines—United and Continental Airways—are starting to cut their services to conserve fuel. This inevitably restricts the numbers of seats and reduces the availability of the cut-price fares which have so stimulated traffic.

Sharp rises in petrol costs for motorists also affect tourism, and in Colorado there is alarm over the prospect of a compulsory week-end closure of U.S. petrol stations. "For us, that would be a disaster," said a local tourist official.

Peru lifts state of emergency

LIMA—Peru's military rulers have lifted the state of emergency imposed in response to a planned general strike. The state of emergency had lasted 59 days.

Constitutional guarantees had been restored, an official statement said yesterday, but it added that police still had authority to detain anyone without charge.

Reuter

Reagan supporters set up campaign committee

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. RONALD REAGAN'S third bid for the U.S. Presidency took a large, formal step forward yesterday, when it was announced in Washington that an exploratory campaign committee was being set up on his behalf.

This is a technical move under U.S. election laws. It enables the committee to raise and spend money on behalf of a candidate without tying his hands or irrevocably committing him to run. In Mr. Reagan's case, it will mean that he can continue his radio broadcasts and newspaper columns, which are his prime source of personal income and a major forum for him to expound his conservative political philosophy.

Yesterday's move has long been expected. Mr. Reagan has been telling his associates that they could assume he was running in 1980 for the Republican nomination, and he has already assembled the nucleus of a campaign staff, including some of the principal advisers who took him so close to the nomination against former President Ford in 1976.

The most recent Gallup poll confirmed that Mr. Reagan, the one-time film actor and two-term Governor of California, remains the favourite to take the Republican prize despite his age. He will be 69 next year.

The survey of registered Republican voters found Mr. Reagan with the support of 31 per cent, former President Ford with 26 per cent, Mr. John Connally, the former Treasury Secretary (already a declared candidate) with 12 per cent, and Mr. Howard Baker, the Senate minority leader, with 8 per cent. The balance is scattered between 11 other possibilities, none having more than 3 per cent, and the don't knows.

If Mr. Ford were not to compete, as seems increasingly likely, Mr. Reagan's lead widens to 43 per cent, compared with 16 per cent for Mr. Connally, 9 per cent for Mr. Baker, and less than 4 per cent for the rest. The first declared candidate, Mr. Philip Crane, the ultra-conservative Congressman from Illinois, comes out with 2 per cent in both measurements.

Mr. Reagan's political base seems most secure in the so-called "sun belt" — from Florida to Southern California. He has, however, never done especially well in the industrial heartland or the North-East, where a good number of the critical early primaries next year are concentrated.

In particular, contenders like Mr. Crane and Mr. George Bush, the former Ambassador to the UN, have been hard at work for several months in New Hampshire, which holds the first primary, and claim to have made inroads into Mr. Reagan's command of Republican loyalty. In 1976, Mr. Reagan lost the New Hampshire primary to President Ford by a tiny margin.

'New Nixon tapes' released

WASHINGTON — Attorneys for Mr. A. Ernest Fitzgerald, who disclosed $2bn in cost overruns on the C-5A military transport plane, say President Richard Nixon personally ordered Mr. Fitzgerald's dismissal.

The attorneys claim that newly-released White House tape transcripts show Nixon also ordered John Ehrlichman, one of his aides, to "have the most God-awful gobbledygook answer prepared" to cover up his involvement in Mr. Fitzgerald's dismissal.

The transcripts are included in a civil damage suit Mr. Fitzgerald filed against Nixon and White House aides H. R. Haldeman, Bryce Harlow and Alexander Butterfield, who later revealed the secret White House tapings.

Mr. Fitzgerald, dismissed in 1969 after his disclosure of the cargo plane cost overruns, but later reinstated to what he claims was a lesser job, is seeking $3.5m damages.

Justice Department attorneys representing the defendants said the tapes indicate Mr. Nixon had confused the Fitzgerald case with that of another, unnamed person.

Mr. Fitzgerald's lawyers say the transcripts contain conversations between Mr. Nixon and his aides after the President, at a January 31, 1973, news conference, acknowledged he had ordered Mr. Fitzgerald dismissed.

The transcript shows, they add, that Mr. Nixon told Charles Colson after the news conference: "This guy that was fired. I'd marked it in the news summary. That's how that happened."

Mr. Nixon, according to the transcript, told Mr. Ehrlichman the same day: "The point was not that he was complaining about the overruns, but that he was doing it publicly."

The ex-President and Mr. Ehrlichman also discussed the use of executive privilege to cover up Mr. Nixon's involvement, according to Mr. Fitzgerald's attorneys' interpretation of the transcript.

At another point in the talk, they say, Mr. Nixon tod Mr. Ehrichman to prepare the "gobbledygook answer," and the former President added: "Just put it out on executive privilege. Something that will allow us to do everything that we want."

The next day, February 1, 1973, Mr. Ron Ziegler, Press Secretary, gave reporters a confused explanation of the use of executive privilege in the Fitzgerald case, the lawyers added.

AP

Third World gloomy about trade

BY DAVID BUCHAN IN WASHINGTON

FINANCE MINISTERS of the developing countries meeting in Washington yesterday warned that slow growth in world trade, intensified protectionist measures by industrial countries, and a deterioration in the terms of trade will increase the poorer, non-oil-producing countries' current-account deficit to $38bn this year.

This was the gloomy conclusion of the Group of 24, which represents a much larger number of the poorer member countries of the International Monetary Fund (IMF), which met on Tuesday on the eve of the Fund's interim committee meeting here.

The Group of 24 welcomed proposals for the institution of a substitution account, "into which member countries might pay dollars and receive the IMF's Special Drawing Rights in return. But it stressed that developing countries' participation in this should be voluntary.

The substitution account idea will be the major item on the interim committee's agenda. Meanwhile, the richer Fund member countries, meeting as the Group of Ten, were expected to renew the General Arrangement to Borrow (GAB). This facility, funded by the major industrial countries, and designed to top up the fund's lending resources, lapses in October 1980, and the Group of Ten is expected to take action to renew it well before that date.

The developing countries noted with particular concern the estimate that the flow of private investment capital to the Third World in 1979 is likely to slow. Although the new "Witteveen facility," specially designed to help the poorer countries with their payments problems, was welcome, the Group of 24 reiterated its long-standing complaint that with this loan arrangement, as with other facilities, the fund should relax some of the conditions it imposes on borrowers.

Senor David Ibarra-Munoz Mexico's Finance Minister and the chairman of the Group of 24, said yesterday at a Press conference that the developing countries were also particularly concerned that the GATT trade talks in Geneva had done very little to accommodate the special trade problems of poorer countries, particularly in providing preferential treatment for their industrial products.

Decline in construction forecast

NEW YORK—Contracting for construction this year will fall by 3 per cent, rather than rise by 2 per cent, according to a revised forecast by the F. W. Dodge division of McGraw-Hill.

The latest forecast puts the volume of construction contracting in 1979 at $154bn, down from $158.4bn last year. Dodge's original forecast, last October, foresaw contracting volume increasing to $155.8bn this year, from an estimated $152bn in 1978.

In forecasting only a mild downturn in construction contracting this year, Mr. George Christie, Dodge's chief economist, noted that contracting last year rose by 13 per cent. He said "employment and output in the construction and building materials industries will remain very strong in 1979 as last year's project starts are brought to completion."

Contracting for residential building is expected to fall by 9 per cent in 1979, to $67.5bn from $74.5bn, Mr. Christie said. He added, however, that housing is expected to begin to recover in the final quarter of 1979.

AP-DJ

Inflation battle 'not being lost'

WASHINGTON—The increase in the consumer price index in January should not be taken as evidence that the Administration's fight against inflation is failing, Mr. Alfred Kahn, chairman of the council on wage and price stability, said yesterday. But he conceded that the 0.9 per cent increase might make it more difficult to secure union compliance with the President's wage guidelines.

"The bad news notwithstanding, what I've been seeing as the anti-inflation programme gets under way are signs, not of disaster but of potential success," Mr. Khan told the Senate Budget Committee. "We have early signs from labour and big business that they are prepared to exercise restraint."

Mr. Kahn said the January increase did not warrant scepticism about the anti-inflation programme because such a big portion of the increase was in energy and food prices. "The factors that caused these—bad weather, the long-term decline in our cattle herds, OPEC and the events in Iran—are essentially beyond our control."

Mr. Kahn agreed that the increase could make it more difficult for labour to comply with the wage guideline. But, he said, that made it more urgent for Congress to approve the President's proposed wage insurance tax credit.

AP

Swissair to buy new version of Airbus

By Michael Donne.

SWISSAIR, the Swiss national airline, is to buy ten of the new A-310 versions of the European Airbus, and has taken an option on another 10 aircraft, which will involve a total investment of about SwFr 700m (more than £200m).

The A-310 is the smaller, 200-seat version of the increasingly successful A-300 Airbus, in which the UK has a 20 per cent stake, building the wings for both types of aircraft.

Last summer, when the A-310 version of the Airbus was first launched, Swissair was among a number of airlines, including Eastern of the U.S., Lufthansa, Air France and Iberia, who collectively said they would buy more than 60 of the aircraft, subject to final contract.

Swissair is the first of these airlines firmly to commit itself. The order is expected to be ratified at a Board meeting of the airline on March 14, and contracts are expected to be signed soon thereafter.

The other airlines interested in the A-310 are also expected to say soon when they will sign contracts for their aircraft.

The Swissair A-310s will be powered by U.S. Pratt and Whitney JT9D-7R4C engines, representing a major success for the U.S. engine company.

The Swissair decision means that Airbus Industrie, the European consortium that includes companies in France, West Germany, Holland and Spain as well as the UK, can now move firmly into detailed design, development and production of the A-310, in addition to continuing work on the A-300 itself.

Poland to encourage joint ventures

By Anthony Robinson, East Europe Correspondent

POLAND HAS decided to follow the example of Romania and Hungary and introduce new legislation allowing for the creation of joint ventures between Polish and foreign companies. Initially at least such joint ventures, in which the Polish partner would have a majority stake of at least 51 per cent, are envisaged on a small scale in industrial and service enterprises producing both for the domestic and export markets.

The first step in this direction was taken three years ago when Poland introduced limited legislation allowing foreigners of Polish origin to set up companies in Poland. But restrictions on the expatriation of profits and other limitations kept the response to a minimum.

Full details of the new legislation are not yet available but the experience of joint ventures in other Comecon countries indicates that the scope for joint ventures is strictly limited without wider ranging changes in the overall central planning system and the foreign trade monopoly system.

There are increasing signs however that the process of freeing major exporters in particular from the former monopoly position of the official Foreign Trade Organisations is developing throughout Eastern Europe, with the exception of Bulgaria and the Soviet Union itself.

The German Democratic Republic for example is allowing greater trade flexibility to the so called Kombinate, groupings of several exporting companies, and Poland too is following this path by giving greater foreign trade powers to the large economic organisations.

Hungary has gone farthest along the road of liberalising its foreign trade by devolving a considerable degree of autonomy in foreign trade matters to individual enterprises or groups of enterprises. So far however Hungary has only concluded three joint ventures—with Siemens of West Germany, Volvo of Sweden and Corning Glass of the U.S.

Romania, whose independent foreign policy is also reflected in a constant search for foreign partners in all kinds of co-operation including joint ventures has the widest range of joint ventures within Comecon. Such ventures go beyond the purely industrial field to include banking and a $1bn joint project refinery with Kuwait.

The largest number of joint ventures with foreign companies exists however in Yugoslavia where legislation was recently extended to cover all fields of economic activity except the insurance, commerce and social services sectors.

Yugoslavia now has over 170 joint ventures of which the largest is a $750m refinery project being built and operated with Dow Chemical. Several UK companies including Dunlop have joint ventures with Yugoslav companies.

GATT package should be 'ripe for signature' soon

BY BRIJ KHINDARIA IN GENEVA

THE COMMON MARKET has reached close enough to satisfactory compromise with its main trading partners to be able to predict an end to the substantive part of the Tokyo Round of trade negotiations in time for the Community Council of Ministers on April 3.

Mr. Paul Luytens, Chief Community Trade Negotiator in Geneva, told a Press conference here yesterday that barring unexpected troubles, the Tokyo Round should be ripe for final signature next month, making way for legislative approval by the more than 70 participating nations.

The possibility remains open, however, that the Community's own member governments, represented in the Council of Ministers, might turn down the package negotiated here.

A Council of Ministers' meeting in Brussels earlier this week sent Mr. Luytens and his team back to Geneva with a brickbat rather than a pat on the back for the work already done. Some member states strongly criticised the deals so far obtained, particularly concerning the Community's processed foods exports, and rules covering application of safeguard measures and the use of export subsidies and countervailing duties.

Asked what would happen if the Council of Ministers again turns down the package achieved by the Commission here, Mr. Luytens said that both the Commission and the Council would have to "assume their responsibilities."

The remark was interpreted here as meaning that the Commission would be unable to do much better by returning to the negotiating table because it is already fighting to maintain its own "bottom line" position from being further eroded by Japan and the developing nations. The main problems with the United States seem to have been settled except in certain tariff areas.

Whatever the EEC Council's attitude it is clear that the U.S. Congress will have the last word on the Tokyo Round package. The Community and other countries here have been clearly told by the U.S. that they run the risk of scuttling the entire negotiations if they open the door to industrial lobby opposition in Washington by forcing its hands too far in Geneva.

Setback for shipbuilding plan

BY TERRY DODSWORTH IN PARIS

FRANCE and Greece are pressing for an early resolution to the discussions on the shipbuilding industry's scrap and build proposals—the plan to ease the crisis in the world shipbuilding market by scrapping two old vessels for every new one launched.

The attitude of these two countries emerged yesterday at the meeting of the OECD's shipbuilding working group meeting in Paris. But members have put off a decision while the plan is being examined and costed by the EEC.

It is expected that the EEC will be ready to make its report within the next few weeks, putting some hard figures on the proposals which were first advanced last November by the independent International Maritime Industries Forum.

But the overall impression emerging from the OECD meeting yesterday was that the plan was unlikely to get off the ground because of the widely varying interests of the different shipbuilding and shipping nations.

According to OECD figures, new orders for ships from the main shipbuilding countries fell by about one-third last year from 9.5m tonnes in 1977 to 6.33m tonnes. At the same time, total tonnage registered in order books fell to 13.5m tonnes from 18.3m.

The figures show that Japan's share in these orders is gradually falling in response to pressure from other shipbuilding countries to reduce output. It was down to 49 per cent last year from 58 per cent in 1977, and in terms of ships completed, Japan's share has fallen from 42 per cent to [illegible] per cent.

The decline in Japanese production, however, has been taken up almost completely by countries from outside the OECD area.

Brooke Marine contract

FINANCIAL TIMES REPORTER

BROOKE MARINE, part of British Shipbuilders' warship division, has won a £9m contract for six fast patrol vessels for the Middle East.

It is the first contract signed between Brooke Marine and the country concerned, which was not named. Brooke Marine said that the vessels would be completed within the next two years.

"As is the case with a number of shipbuilders, Brooke Marine was beginning to run out of work. The tide has now turned and this new contract will mean continued work for its 850 employees for several more years," a company spokesman said.

The Lowestoft shipyard has already supplied nine fast patrol vessels to the Middle East and is currently refitting two vessels from Oman.

VW offers bodywork guarantee

BY ROGER BOYES IN BONN

VOLKSWAGEN-AUDI, in a radical departure, has decided to guarantee the bodywork of its passenger cars for six years. In an official announcement yesterday, Volkswagen described the move as unique in the European car industry.

The announcement coincided with a report that Volkswagen-Audi was planning to raise prices by over 2 per cent. VW spokesmen stressed that while there was no direct connection between the price rise and the new guarantee, the costs of the company's research into anti-corrosion techniques would be to some extent covered by the increase. The recent advances in anti-corrosion techniques have made the guarantee possible.

The guarantee, which applies to new VWs and Audis bought in Europe, is conditional on a two-yearly inspection by VW specialists. If it appears that damage has been caused to the car by an outside agent—a collision, say, or routine scratches—then the guarantee will not be valid.

If, however, the car is rusting or corroding because of poor lacquering or other defects in the bodywork protection, then Volkswagen will undertake to pay for the repairs.

The anti-corrosion measures—such as new methods of waxing—are to some degree modelled on techniques recommended by a Canadian advisory board on anti-corrosion. It was found, for example, that salt, used on the roads to thaw snow and ice, had a particularly corrosive effect on the car's bodywork. The guarantee will not cover car-owners against that sort of damage.

Although the guarantee applies at present only to cars bought in Europe, Volkswagen spokesmen left open the possibility that it could be extended to North America. VW has recently regained its number-one position among foreign manufacturers in the U.S.

China plans offshore oil deals

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

CHINA PLANS to sign three or four more agreements for offshore oil exploration work later this year following the preliminary agreement reached recently with British Petroleum in the South Yellow Sea.

Atlantic Richfield of the U.S. is likely to receive the next seismic survey contract and other groups involved in negotiations with the Ministry of Petroleum in Peking include consortia from France and Canada.

Japan, however, has still not reached agreement on its proposed contract for work in Bohai Bay. It had been exploratory and oil field development.

Now it appears that Ministry officials in Peking are having second thoughts about awarding such a comprehensive contract and instead would prefer to rely initially just on foreign oil companies to use their experience in the seismic surveys.

The Chinese might then decide to do some of the less complex development work in shallower waters themselves.

There are, however, likely to be major orders placed abroad for offshore and pipeline plant and members of the recent delegation to China led by Mr. Eric Varley, Industry Secretary, discussed the prospects with officials in Peking.

Under the BP type of arrangement, the cost of the seismic survey is borne by the oil company on a risk basis. If results are encouraging, the Chinese will then allocate blocks of the area for bidding. BP will receive the exploration contract if it matches the best bid submitted. If it wins, it will then receive 49 per cent of the stake in a joint venture with the Chinese Government.

Outline pact on Japan loans

BY RICHARD C. HANSON IN TOKYO

A THREE-MAN delegation from the Bank of China will return to Peking this week having agreed in principle on a Japanese commercial bank scheme to borrow at prevailing international dollar rates. The Chinese mission, headed by its manager of the international division of the Bank of China, Mr. Niu Hsuan-wu, is now expected to consult with their superiors in Peking before the final terms are agreed.

The Japanese banks are offering China up to $6bn in six-month trade financing credits, with the option of converting up to $2bn into a loan syndication package of four to five years' duration. The loan would be made at prevailing Euro-dollar rates plus [illegible] per cent for the short-term credits plus [illegible] per cent on a five-year basis—22 Japanese banks would participate in the credit.

Separately, the Chinese also met with the Export and Import Bank of Japan to discuss lower-cost yen credits for Japan's exports to China. The Chinese so far have declined to consider such loans because of the risk of having the yen appreciate further.

The commercial loan discussions are taking place in an atmosphere much less certain than just two weeks ago when the formal talks in Tokyo began. Since the mission arrived, Japanese companies have received notification from China that it is reviewing Japanese plant contracts signed at the end of last year with an estimated value of Yen 560bn.

China's Vice-Minister for Foreign Trade, Mr. Li Xiannian, will be travelling to Japan, probably before the end of this month to discuss the contracts with Japanese companies. The timing of the visit, perhaps because of the finance problem, has become very awkward for both sides. The visit has already been delayed from a planned March 10 arrival date.

Saudi Arabian crude for Greece

BY OUR ATHENS CORRESPONDENT

SAUDI ARABIA has agreed to supply Greece with 6m tons of crude oil over the next three years.

The agreement, signed in Jeddah last week by the Greek Minister of Commerce, Mr. George Panayotopoulos who accompanied Premier Constantine Karamanlis on an official visit to Saudi Arabia, ensures that Greece's requirements for crude oil, amounting to about 9m tons a year, will be covered during the looming new oil crisis.

Under other agreements, Greece has already secured 3m tons of crude oil a year from Libya, 2.5m tons from Iraq and 1.5m tons from the Soviet Union.

Some 70.5 per cent of Greece's total primary energy is provided by imported liquid fuels, adding alarmingly to the country's balance of payments problems.

Last year's spending on crude oil and petroleum products exceeded $1bn—accounting for about 16 per cent of the country's import bill.

If all goes according to plan, the first Greek oil discovered off the North Aegean island of Thassos in 1973 will be pumped out some time in 1981. Production from the oil-bearing basin known as Prinos is put at 25,000 barrels a day.

New–The SAAB 900

SAAB 900 GLE

Born to Lead

Leading in Performance

The SAAB 900 has the power of a leader. The outstanding turbo-powered models give two litre efficiency and power in the high performance–plus league, *(145 bhp din)*. It's exhilarating, reliable and unusually satisfying to drive. The fuel injection EMS and GLE models deliver a powerful 118 bhp din. The twin carb. 2 litre GLS models at 108 bhp din will give you executive-style cruising at motorway speeds. The single carb 2-litre model 100 bhp din gives you comfortable motoring. Rally proven, the SAAB 2 litre engine is a superb example of the best in Swedish engineering.

Leading in Driveability

The SAAB 900 enforces new levels of road holding and handling.

It is designed to obey your every command. Designed so you experience complete control. Front wheel drive gives increased traction. Steering geometry advances reduce lateral acceleration or "body swing".

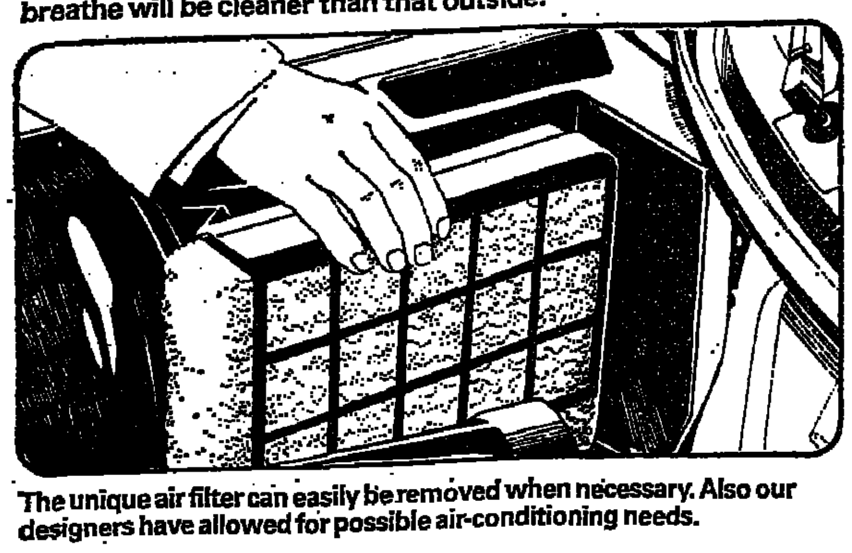
This means safer, relaxed motoring and increased comfort for passengers.

The steering is more responsive and the directional stability gives consistent behaviour regardless of road conditions and load.

On the turbo and automatic models you'll find power-assisted steering as standard. But not just any power steering. At speed our power steering gives you the same response and control as a SAAB 900 without P.A.S. *You'll only notice it when you need it,* in town or parking.

Leading in Comfort

A remarkable SAAB 900 first is the filtering of all air entering the driver/passenger compartment. A new filter removes most contaminates even pollen. So inside the SAAB 900, the air you breathe will be cleaner than that outside.

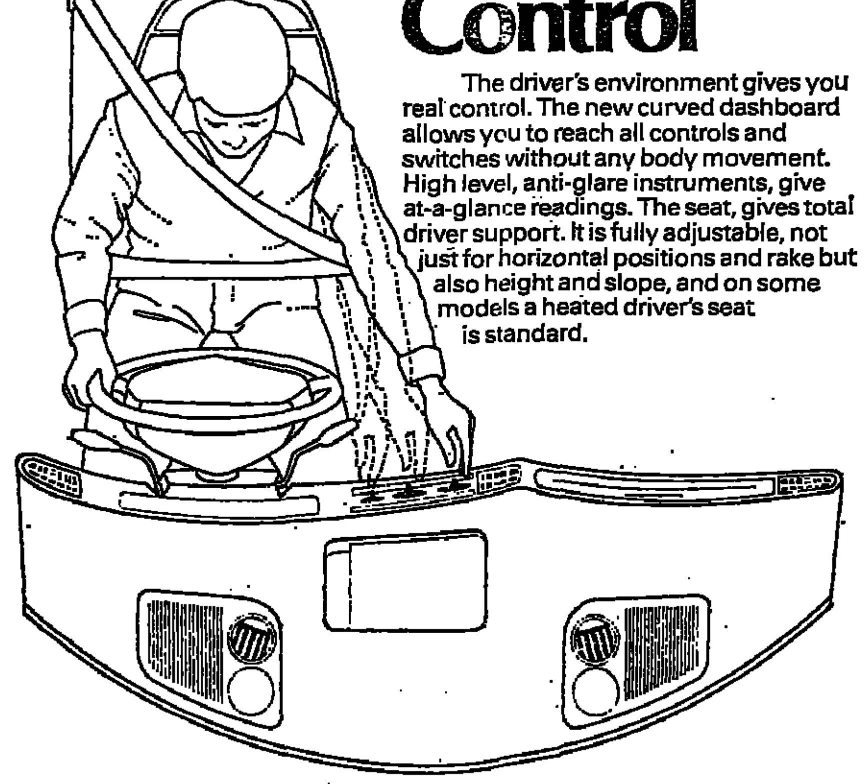


The unique air filter can easily be removed when necessary. Also our designers have allowed for possible air-conditioning needs.

The SAAB 900 is roomy and spacious. To give some idea, it's slightly longer than the Rover 3500. But inside you'll notice the difference—velour upholstery and trim, exude luxury. On the top models there's even seat belts and head rests for the rear passengers.

The heating and ventilating system is also unique. It provides a constant level of warmth—once set—through outlets including a demister for the side windows. Exceptional sound insulation will protect you from the hassle of the outside world.

Leading in Driver Control



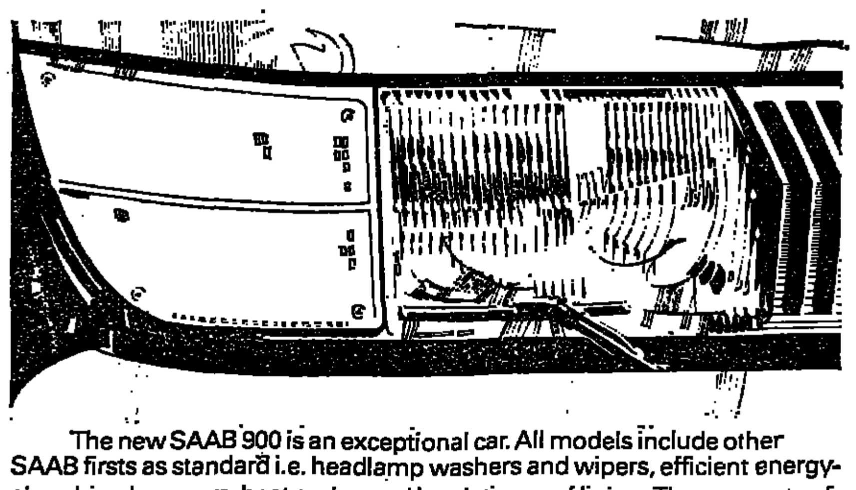
The driver's environment gives you real control. The new curved dashboard allows you to reach all controls and switches without any body movement. High level, anti-glare instruments, give at-a-glance readings. The seat, gives total driver support. It is fully adjustable, not just for horizontal positions and rake but also height and slope, and on some models a heated driver's seat is standard.

Leading in Safety

The SAAB 900 incorporates many new safety features. Including further developments of the steering wheel designed to actually help prevent injury rather than just reduce it.

A unique mesh bellows mounted on the steering column acts as a cushion in the event of a serious collision. Another unique development below the dashboard, protects knees and legs. And the staged crumple zones backed up with the most rigid passenger safety cage really protects those inside.

All SAABs have disc brakes on all four wheels. A diagonally split-braking system and semi-metallic outside front brake linings *(another SAAB first)* give increased efficiency.



The new SAAB 900 is an exceptional car. All models include other SAAB firsts as standard i.e. headlamp washers and wipers, efficient energy-absorbing bumpers, heat and sound insulation roof lining. The rear seats of the 900 will fold down to give you over 6 feet of flat loadspace and there's no awkward sill to lift over. Inside is a cavernous 53 cubic feet of luggage space.

The SAAB 900 is a very advanced car but words can tell only so much.

For such a car, driving is believing, so why not take advantage of our no-obligation test drive offer at any one of our nationwide network of enthusiasts. You'll soon appreciate why the SAAB 900 is the car **Born to Lead.**

The SAAB 900 Range

3 dr GL	2 litre hatchback single carb.	**£5,525**
3 dr GLS	2 litre Hatchback + twin carbs.	**£5,775**
3 dr GLS Auto	Power steering as standard	**£6,225**
5 dr GLS	2 litre Hatchback + twin carbs.	**£5,995**
5 dr GLS Auto	Power steering as standard	**£6,555**
3 dr EMS	Sports coupe hatchback. Low profile tyres alloy wheels	**£6,995**
5 dr GLE	Fuel injection, automatic, power steering, steel sunroof, tinted glass, heated front seats, radio cassette player	**£7,675**
3 dr Turbo	Turbo-charged power. Ultra low profile tyres, steel sunroof, tinted glass, radio cassette player	**£8,675**
5 dr Turbo	With the new TRX tyres for comfort and control. Radio cassette player	**£8,995**

Prices quoted and specifications are correct at time of going to press and include seat belts, car tax and VAT. Delivery and number plates extra. All SAABs are covered by unlimited mileage guarantee for 12 months + extra 12 months for engine and gearbox.

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Scottish industry plans U.S. campaign

BY RAY PERMAN, SCOTTISH CORRESPONDENT

COMPETITION to attract American investment, particularly in the electronics industry, is intensifying between the Scottish Development Agency and its counterpart in the Irish Republic.

The two bodies have already clashed over attempts to lure the Dallas-based semi-conductor manufacturer, Mostek, and the bidding has become so competitive that each has privately alleged the other has exceeded European Commission guidelines on industrial inducements.

Mostek, which wants to invest £20m in a micro-chip plant which could eventually employ 2,000 people, is expected to make its decision before the end of the month.

The Scottish agency believes it must match Irish professionalism if the UK is to secure a share of similar investments in the future. In doing so, it is going further than other regional authorities in Britain, which rely on central Government departments for overseas promotions.

The agency has already appointed a representative in New York, and within the next few weeks he will be joined by a second, recently recruited from one of the U.S. offices of the Irish Development Agency.

Two marketing tours of major U.S. cities are also being made this year, the first next month and the other in the autumn.

The April tour is specifically aimed at the electronics industry, and will include Dallas, Los Angeles and San Francisco, where some of the major companies are based.

In the past, the Scottish agency believes, British promotional efforts have been hampered by the fact that interested firms have been passed from one body to another and not given a clear overall idea of what sites are available and what incentives are available.

To overcome this, it is bringing together for the U.S. tours all bodies concerned with industrial attraction in Scotland, including regional authorities and the Scottish Economic Planning Department.

On the advice of U.S. consultants, elected members have been excluded from the tour party and councils will be represented only by full-time officials concerned with industrial affairs.

Industry 'could train diplomats'

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A GREATER interchange of personnel between industry and the diplomatic service was suggested yesterday by Dr. David Owen, the Foreign Secretary, as a means of improving Britain's overseas trade services.

Dr. Owen, speaking at the monthly meeting of the National Economic Development Council said that industry could help if career diploats were allowed to come on short-term training assignments, or if longer-term places were provided for members of the diplomatic service in exchange for someone from industry serving in an overseas mission.

He said that much higher priority was being given by the diplomatic service to representing Britain's commercial interests. The Confederation of British Industry, however—although supporting the efforts of the diplomatic service—said that there could be a significant improvement in the Government's export promotion services conducted at home.

The image of British industry portrayed in the Brtiish Press aroused some concern at the meeting. Dr. Owen said that the foreign Press "feeds off the British Press for its stories about Britain," and this was giving rise to significant problems in trying to attract investment by foreign companies in this country.

Foreign delegations—such as that from Japan which had been here for the past ten days—often expressed surprise when they found that British industry was in a better state than would seem from the Press.

The need to anticipate competition from the newly industrialising countries in a growing number of sectors was emphasised by Mr. Geoffrey Chandler, National Economic Development Office director-general. Competition in engineering, machinery and electrical goods were likely to be added increasingly to that in textiles, clothing and footwear. Where these countries have already made a big impact.

British business graduates paid less in UK

BRITISH BUSINESS graduates earn considerably less than their counterparts in other countries according to a survey of 4,000 masters of business administration world wide.

The study conducted by management consultants Egon Zehnder found the British executive throughout his career earned markedly less than similarly qualified managers in the U.S., Japan and the major European countries.

British business graduates aged 35 to 39 working in the UK earned about £11,100-£12,500 according to the survey. In Germany a similarly aged and qualified executive earned £27,800-£33,300 which compares with £20,800-£22,200 in France and £20,800-£22,200 in the U.S.

The survey also said that nearly 33 per cent of British executives questioned said that they were actively seeking another job which compares with 14 per cent in Switzerland and 28 per cent in France.

More MBAs went into banking than any other sector with management consultancy the second most popular career choice which was consistent in most countries. One in four business graduates work in finance and control and about 20 per cent work in marketing.

More UK ships lying idle

BY LYNTON McLAIN

THE VOLUME of world shipping idle at the end of January fell for the seventh successive month but there was a rise in the number of British registered vessels idle, according to the General Council of British Shipping.

Britain had 34 vessels totalling 3.6m dwt laid up, representing 7 per cent of its fleet. This compared with the world's total of 600 ships at 28.9m dwt, or 4 per cent of the world fleet.

Britain also had a greater proportion—more than one in 10—of its oil tanker fleet idle, compared with the world total of 6 per cent. Almost 22m dwt of tankers and 7m dwt of dry cargo vessels were not working. Britain had 3.2m dwt of its tanker fleet laid up through lack of work in the depressed energy markets and 312,00 dwt of dry cargo ships.

"The crisis in Iran has served to compound an already gloomy picture," the council said last night.

Last June 54 vessels, totalling 6.25m dwt, were without work—the greatest number since January 1977. The figures had shown a steady improvement until January this year, which also saw a small rise in the number of vessels on the world fleet idle compared with the 593 laid up in December. But the tonnage of idle vessels in the world fleet dropped by 1.2m dwt.

There is little prospect of a recovery in shipping markets until the early 1980s.

Britain's merchant fleet was hit later than those of other countries. Many vessels were on long-term charters and these are now starting to expire.

In some cases shipowners have preferred to lay up vessels rather than operate them uneconomically in the face of growing worldwide competition.

"The problem we face is the slow build-up in world trade and the extent to which overcapacity in shipbuilding is making the shipping surplus more acute," the council said.

Iona may be bought by State

By Our Scottish Correspondent

IONA, the Scottish holy island which is to be sold to pay death duties, may be bought by the State. Mr. Bruce Millan, Scottish Secretary, said last night that he had instructed the Scottish Development Department to begin talks soon with the National Trust for Scotland and the Duke of Argyll.

The Duke is one of the trustees of the estate of his great uncle, who died in 1949. Death duties of about £500,000 are still outstanding.

Mr. Millan said that one possibility would be to buy the island through the National Land Fund, which was set up in 1946. It could then be administered by the National Trust.

He said the proposed sale offered an opportunity to secure the future of the world-famous island.

The island was to have been put on the market in May, but has already attracted considerable interest. Most of the land is under crofting tenure, although the historic abbey and graveyard where several Scottish kings are buried, is owned by the Church of Scotland, which maintains a religious community.

Shell and Esso gas plant hopes lifted

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SHELL AND ESSO'S plans to build a £435m gas separation plant at Mossmorran, Fife, went a step further yesterday. The Health and Safety Executive issued a report saying that the risk of explosion from radio sparks was insignificant, writes Ray Perman.

The project was the subject of a public inquiry in 1977. It has been held up while the Government considered new evidence of possible hazards from protesters living close to the site of the marine terminal, from which liquid gas would be loaded into tankers.

A year ago, Mr. Bruce Millan, Scottish Secretary, gave conditional approval for the plant pending investigation of the risk of a spark from a nearby broadcasting transmitter igniting an accidental gas escape.

He has now received the safety executive's report, but the Scottish Office was still not prepared last night to say when a final decision would be announced.

Mr. P. D. Mehta, of the Aberdour and Dalgety Bay Action Group, which has been opposing the scheme, said that the report would be considered in detail by the group's technical advisers.

Evidence on other types of risk including shipping accidents had also been given to Mr. Millan. Legal opinion suggested that he would be obliged to consider it before he could come to a final decision on the project.

In a letter to the Scottish Secretary, Mr. John Locke, director-general of the Health and Safety Executive, says that technical investigations show the possibility of sparks from radio transmitters to be low. The probability that any sparks would cause an explosion were even lower.

Shell and Esso had hoped to have the plant in operation by next year, but this is now impossible. It is intended to process gas from the Brent field using feed stock brought to Mossmorran by pipeline.

The companies already have contracts to sell the products. Methene would go to the British Gas Corporation, and butane and propane would be exported to the U.S.

City of London faces 4.16% increase in rates

BY PAUL TAYLOR

BUSINESSES in the City of London are likely to face rate increases of 4.16 per cent following a recommendation from the corporation's finance committee. The rise would be considerably less than in some other London boroughs and compares with an 18 per cent average across the country.

If the committee's recommendations are accepted by the Court of Common Council, the City's ruling body, when it meets on March 22 domestic rates will increase by 0.16p in the pound (1.4 per cent) to 51.04p in the pound in 1979-80 and commercial rates will rise by 3.11p in the pound (4.16 per cent) to 77.8p in the pound.

The increase includes a 2p in the pound rise in the Greater London Council rate offset by a 1p in the pound reduction in the amount the City pays to other London boroughs through the Rate Equalisation Scheme. The domestic rate is further offset by a 2.5p allowance in the Government's rate support grant.

The rates rise has also been lessened by drawing £3.5m from balances making up a total expenditure in 1979-80 of £172.2m based on the assumption of a 5 per cent increase in wage costs. If, as exepcted, wage settlements in the local authority sector considerably exceed this amount the City will have to find alternative means for paying the increase.

Exluding expenditure by the GLC, the Inner London Education Authority and the contribution to the equalisation scheme the corporation's own expenditure will increase by £4.7m to £35.9m in 1979/80.

● The Shetland Islands Council has fixed a general rate of 50p in the pound for 1979/80, an increase of only 5p compared with the current year.

Domestic ratepayers will pay 47p in the pound. At the same time, council house rents have been frozen until April, 1980.

Deminex may try to buy stake in Beatrice field

BY SUE CAMERON

DEMINEX, the West German oil exploration group, is thought to be trying to buy a 15 per cent stake in the North Sea's Beatrice field from Cresslenn, a U.S.-based oil concern.

It is understood that the British National Oil Corporation will be given an option to buy one-third — 5 per cent — of the Deminex stake if the deal goes through. BNOC already has a 10 per cent holding in the Beatrice field which it acquired last month from Hunt Oil.

A deal of this kind would be certain to increase speculation over the possibility that BNOC may take over from the U.S. based Mesa group as operator on the Beatrice field.

Mesa had never done development work in the North Sea before becoming operator for Beatrice, and the group has no other field interests there.

BNOC, however, now has considerable experience as operator on 26 exploration blocks, including the Thistle field development.

The Beatrice group is made up of Mesa, the operator, with a 25 per cent holding, Cresslenn, which has a 15 per cent stake, BNOC with 10 per cent, the U.S.-based Hunt Oil, which now has only 10 per cent since selling half its stake to BNOC, the UK-based P & O group, and the U.S.-based Kerr McGee, which is understood to be carrying Cresslenn's financial interest.

Deminex, which is a subsidiary of Veba, West Germany's state-backed oil company, already has a 41 per cent holding in the Thistle field, and it is known to be keen to expand its North Sea interests.

New guide to public finance

By Our Economics Staff

A GUIDE to the large and complex volume of financial information available on the public sector has been published by the Government.

The 108-page guide, prepared jointly by the Treasury and the Central Statistical Office, is intended to help users find their way around this material.

It covers the main information published by the Government about its own expenditure, revenue, borrowing and debt, about local authorities, nationalised industries and other public corporations and some of the similar data published by and for local authorities and public corporations, and by international organisations.

The guide is in two parts. The first identifies the sources of information relevant to 35 specified topics and the second is a bibliography, giving full details of the published sources in the first part, plus some additional publications.

Guide to Public Sector Financial Information published by the Stationery Office, price £2.50.

Solid silver Concorde model fetches £8,500

BY ANTONY THORNCROFT

THE PITFALLS of investing in works of art were well illustrated at Christie's yesterday when a solid silver model of Concorde, 4 ft long and weighing 316 oz, was sold for £8,500, almost half the £15,000 which Sir Eric Miller, the former head of Peachey Properties, paid Aspreys for it in 1975.

The model was bought by the London dealer Jack Simons who will also have to pay the buyers' premium (now 10.8 per cent following a ruling that the premium is subject to VAT). Its disposal was arranged by Lord Mais, the current Peachey chairman.

In the same silver sale, which totalled £99,595, the Ascot Royal Hunt Cup of 1856, designed by Alfred Brown and made by J. S. Hunt, went to Koopman, the London dealer, for £3,400.

A pair of French silver mounted flintlock pistols made by Le Hollandois around 1720 were bought by Jessep, another London dealer, for £7,500, in a Christie's arms and armour auction. An admiral's silver hilted dress small sword, bearing the arms of Cornwallis, the work of Francis Thurkle in 1797 was bought by the National Maritime Museum for £3,200.

Perhaps the most interesting sale at Sotheby's was in Belgravia where a collection of over 80 cooking stoves and other cast iron decorative domestic heating appliances, stretching back to the early 19th century, sold for £34,153. They were the property of the Solid Fuel Advisory Service.

SALEROOM

BY ANTONY THORNCROFT

At Sotheby's in Bond Street the netsuke, okimono and inro collected by Mr. and Mrs. George Cohen sold for £187,000.

The top price was the £10,500 (plus the 10.8 per cent buyer's premium) from Eskenazi, a London dealer, for a rare Ozaki Kokusai stagshorn study of an owl. It had been estimated at £1,800-£2,500. The same buyer paid £7,800 for a Kirin, signed Tomotada. A study of an ape-like creature by Hoshunsai Masatuki realised £5,400.

Japanese audio company may move to Ulster

By Our Belfast Correspondent

AIWA, the Japanese electronics company, hopes to start audio equipment production in Belfast by next year.

Mr. Don Concannon, the Ulster industry minister, said officials of the Commerce Department and the Northern Ireland Development Agency have had detailed discussions with Aiwa about its taking over the factory in west Belfast which was occupied until last December by Strathearn Audio, the ill-fated state-owned company.

Mr. Concannon said the talks had led to a broad understanding on the form a joint venture between the agency and the Japanese might take.

Aiwa was now developing the products which it hoped to sell on the European market and if negotiations succeeded an agreement could be signed later in the year.

Belfast to build £1.75m diesels

By Our Belfast Correspondent

HARLAND AND WOLFF, the State-owned Belfast shipyard, has won orders worth £1.75m for six medium-speed diesel engines for an emergency support vessel to be built by Scott Lithgow for British Petroleum.

The number of orders for diesel engines received by the shipyard since it agreed a joint venture with MAN of West Germany eight months ago is 21.

Government officials said the figure was well ahead of the yard's projections for the first year of the agreement and further orders for engines were now expected.

Balance of payments shows £1.13bn deficit

BRITAIN HAD a combined deficit on its balance of payments current and capital accounts of £1.13bn last year, compared with a surplus of £7.36bn in 1977.

The change was due almost entirely to capital movements, since the current account surplus declined by only £44m to £254m.

The main difference in the capital account was that the high level of exchange market confidence in 1977, with associated inflows when sterling was held down, was followed in 1978 by fluctuating confidence and erratic capital flows, particularly of banking and other short-term capital.

Private sterling balances rose £304m last year after an increase of nearly £1.5bn in 1977 and there was a reduction in UK public sector investment by foreign holders of £81m last year, compared with a net inflow of £2.18bn in 1977.

BALANCE OF PAYMENTS £m.

	1977	1978	1978 2nd qtr.	1978 3rd qtr.	1978 4th qtr.
			Seasonally adjusted		
Current account					
Visible balance	−1,744	−1,175	− 173	−367	− 39
Invisible balance	+2,042	+1,429	+ 319	+418	+437
CURRENT BALANCE	+ 298	+ 254	+ 146	+ 51	+398
			Not seasonally adjusted		
Current balance	+ 298	+ 254	+ 204	+173	+460
Investment and other capital transactions	+4,602	−2,227	−1,804	+ 74	−589
Balancing item	+2,461	+ 847	+ 106	− 37	+114
BALANCE FOR OFFICIAL FINANCING	+7,361	−1,126	−1,494	+210	− 15
Official financing					
Net transactions with:					
IMF	+1,113	−1,016	− 505	− 26	−485
Other monetary authorities	—	—	—	—	—
Foreign currency borrowing:					
by HM Government*	+ 871	+ 191	+ 191	—	—
by public sector under exchange cover scheme	+ 243	− 378	− 218	−130	+189
Official reserves (drawings on, +; additions to,−)	−9,588	+2,329	+2,026	− 54	+311

* Drawings on two Eurodollar facilities for HM Government to borrow $2,500 and $1,500 million, and a $350 million bond issue in New York.

Source: Central Statistical Office

OMMONS EXPENDITURE COMMITTEE CRITICISES JANUARY WHITE PAPER

Assessment 'out-of-date and unrealistic'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

IE TREASURY—and in parti-lar Mr. Joel Barnett, the Chief cretary — were criticised sterday by an all-party com-ittee of MPs for providing an out-of-date and unrealistic" sessment of the economic ospects in the annual public penditure White Paper and bsequent discussions.

The criticisms come in the port of the Commons Expendi-re Committee on the January hite Paper. Its general sub-mmittee, chaired by Mr. ichael English, the Labour P for Nottingham West, ques-oned Treasury officials at the d of January and minutes of idence, together with 13 emoranda from City and ademic economists and con-ruction industry organisations, e published with the report.

A letter from Mr. Barnett to e sub-committee is also pub-shed, for the first time. He fused a request for calcula-ons of the effects of alterna-ve assumptions about the growth of public sector earnings in the current pay round, notably the impact on public sector borrowing.

Mr. Barnett said the calculations would involve "a large number of judgments and assumptions" and referred to the earlier reluctance of the Chancellor, Mr. Denis Healey, to provide such figures, "both because there would be a risk of appearing to endorse such assumptions if a Government department were to carry out this work, and because it would divert those concerned from other work."

The report welcomes various improvements in the White Paper, in particular the projections of total output and the pattern of demand in the medium-term and of revenue, expenditure and borrowing: estimates of the cost of many direct tax allowances and reliefs; and increased information about the output achieved and planned in individual programmes.

The welcome is qualified, however, to the extent that the Committee urges both the future inclusion of a sufficiently wide range of economic projections to cover all likely eventualities, a possible extension of the list of tax reliefs covering age allowances and higher tax thresholds for people over 65, and the need for much more to be done to state the specific objectives of future spending programmes and the results of past programmes.

Moreover, "through the recently introduced monitoring system, the Treasury should be able to identify underspendings so as to be able to take corrective action either at once or in the following year's estimates."

In future White Papers, the Treasury should show explicitly the component parts which go to make up what is considered to be net debt interest, "that is, to give separately total debt interest and the receipts items which are not now shown in the net total."

In addition, the Government should provide information about the size and broad maturity structure of debt, and about the way in which they are likely to change over the survey period up to 1982-83.

The report returns to earlier criticisms about the balance between current and capital expenditure and states: "Some of the recent cuts seem to be false economies and the damaging impact on the construction industry is neither sensible nor just."

The committee has "serious reservations about the presentation of the Government's assessment of the economic prospects which underlines the public expenditure plans." It notes that "there is no explicit statement to show whether the Government regards any of the projections as either desirable or acceptable, although the clear implication is that the Government cannot determine the rate of economic expansion.

"In sum, what is discussed in the White Paper is not the Government's economic plans for the medium-term but a set of seemingly arbitrary projections, the purpose of which is to draw attention to the constraints on policy," the report says.

These constraints ought now to be appreciated, it says, but "what is not known is how the Government intends to overcome them or whether it considers it can overcome them and how the public expenditure plans fit into this overall strategy."

Accordingly, in future White Papers, "the assessment of economic prospects should have a more realistic basis and should include more discussions about economic policy options."

MR. JOEL BARNETT . . . under fire

Moreover, "quite apart from these weaknesses," this year's White Paper suffers from being overtaken by events since it was drafted about three months ago. The illustrative economic projections have become "increasingly unrealistic, thus invalidating the assumptions on which the projections of public sector borrowing are based."

"It is not clear, however, at this stage by how much the PSBR will be affected," the report says. "Much depends on the pace of pay rises in the public sector in relation to those in the private sector and on the response of the Government to large pay increases when fixing cash limits for 1979-80.

"Hence our dissatisfaction with the Chief Secretary's (Mr. Barnett's) refusal to provide revised estimates of the change in the relative price effect (the ratio of public sector costs to those in the economy as a whole) and public sector borrowing.

"The recent practice is to publish in the White Paper an assessment of economic prospects (drafted in November) and to publish another at the time of the Budget. This means that when the White Paper is debated in the House of Commons, usually in March, the White Paper assessment may have been overtaken by events while the Budget assessment will not have been published.

"The debate would be more relevant if an intermediate assessment were published at the time the Treasury gave evidence to our sub-committee, before the debate in the House, and we recommend that in future years this should be done."

Fourth Report from the Expenditure Committee, Session 1978-79, on the Government's Expenditure Plans: House of Commons Paper 237 from the Stationery Office, price £2.00.

Treasury checks allowance sums

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

AN INCREASE in personal income tax allowances in line with price inflation during 1978 (as laid down by the 1977 Finance Act) would cost about £890m in lost revenue in a full year according to Treasury estimates.

The estimated revenue effects of various tax changes were published yesterday by the Treasury in a supplement to its Economic Progress Report.

The figures, some of which have already been given in Parliamentary written answers, are based on income and/or price levels for the 1978-79 financial year and not on estimates of next year's levels on which the Budget (on April 3) will be based.

Moreover, the full year revenue effects are not necessarily the same as the effect in the first year of any change as some taxes are paid in arrears.

The revenue estimates are also not the same as the effect on public sector borrowing in the first financial year.

"Very roughly the borrowing requirement effect of direct tax changes is generally about one-fifth less than the revenue effect; borrowing effect of VAT changes is about two-fifths less, and of other customs duties about one-tenth less. These differences occur both because of lags in the payment of taxs and also because of second-round effects of tax changes on the economy and hence on the payment of other taxes."

The Treasury estimates that an 8½ per cent change in excise duties, in line with last year's price inflation, confined with an increase of two percentage points in the 8 per cent rate of VAT would add roughly 1½ per cent to the retail price index.

A 2 per cent change in the standard rate of VAT up to 10 per cent would bring in £800m in a full year at 1978-79 prices, while a reduction in the higher rate from 12½ to 10 per cent would cost £100m on the same basis.

A one point change in the rate of employers' national insurance surcharge—at present 3½ per cent—would bring in £600m in a full year.

The figures also highlight the large revenue cost of changes at the lower end of the income tax bracket. A £250 change in the present lower rate band—25 per cent on the first £750 of taxable income—has a revenue impact of £405m in a full year at 1978-79 earnings.

But a change of £1,000 in the higher rate income tax thresholds—at present from 40 per cent on £8,000 of taxable income up to 83 per cent on £24,000—has a revenue impact of only £140m in a full year.

Public investment far too low, say construction leaders

BY PAUL TAYLOR

EADERS OF the construction dustry have told Government inisters that the level of ublic investment in construc-on is still far below that eeded to support national onomic and social require-ents.

In a paper submitted to inisters yesterday the Group Eight—comprising leading gures from professional odies, institutions and so forth —argues that the Government's vn plans for the economy and e future ability of the con-ruction industry to meet ntinuing national needs are th in jeopardy.

The Group's submission has en timed to coincide with the Commons Expenditure Committee's report commenting on the Government's Expenditure White Paper.

For the first time, the White Paper included a separate detailed analysis of planned expenditure affecting the construction industry. The submission from the Group of Eight, which campaigned strongly for this change, is seen as an attempt to maintain the pressure on the Government.

In most major programmes, including roads, water and sewerage, health, housing and education, present levels of planned and actual public investment in construction fell short of requirements.

UK ECONOMIC INDICATORS

CONOMIC ACTIVITY—Indices of industrial production, manu-acturing output (1975=100); engineering orders (1975=100); etail sales volume, retail sales value (1971=100); registered nemployment (excluding school leavers) and unfilled vacancies 000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1977							
h qtr.	105.8	101.9	100	104.7	239.6	1,431	157
1978							
t qtr.	106.9	102.1	100	106.4	246.4	1,409	188
nd qtr.	110.9	104.7	96	107.9	254.4	1,367	213
d qtr.	111.2	104.9	103	110.7	266.6	1,380	213
h qtr.	109.9	102.7		110.7	272.5	1,340	230
ept.	110.5	104.2	107	109.6	265.9	1,378	219
ct.	108.9	102.1	101	110.2	267.9	1,360	228
Nov.	109.6	102.5	101	110.5	269.7	1,339	231
ec.	111.3	103.6		113.8	279.8	1,321	231
1979							
an.				109.6	273.1	1,339	236
eb.						1,363	231

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
th qtr.	104.9	97.1	114.3	98.2	95.4	100.2	20.7
1978							
st qtr.	105.2	99.1	116.1	100.0	95.0	97.8	17.8
nd qtr.	107.8	98.6	122.6	100.0	107.8	101.0	27.1
rd qtr.	107.3	100.2	123.3	101.0	101.6	102.8	22.9
th qtr.	106.3	96.5	123.0	96.0	97.5	100.6	20.6
August	109.0	101.0	123.0	103.0	92.0	104.0	20.3
Sept.	107.0	99.0	123.0	99.0	100.0	101.0	25.1
Oct.	105.0	96.0	121.0	96.0	98.0	100.0	24.5
Nov.	106.0	96.0	123.0	95.0	93.0	102.0	20.7
Dec.	107.0	98.0	125.0	98.0	101.0	101.0	16.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
4th qtr.	117.3	102.4	−16	+580	−659	102.4	20.39
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−365	−49	−501	105.7	16.55
4th qtr.	125.1	112.8	−1	+359	−480	106.7	15.77
Oct.	125.9	111.3	+40	+160	−135	106.0	15.97
Nov.	122.6	114.1	−108	+12	−162	107.3	15.67
Dec.	126.7	113.0	+67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+1	−60	107.7	16.26
Feb.							16.62

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1,639	1,189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,263	6½
2nd qtr.	8.5	15.7	24.6	+3,391	694	1,398	10
3rd qtr.	16.8	5.3	8.6	+534	746	1,425	10
4th qtr.	9.7	9.7	8.8	+1,490	878	1,425	12½
Oct.	13.8	5.5	1.9	+541	363	470	10
Nov.	12.1	10.7	9.9	+113	261	506	12½
Dec.	9.7	9.7	8.8	+836	254	449	12½
1979							
Jan.	13.6	16.5	20.0	+839	289	491	12½
Feb.							14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.6	208.0	257.69	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	265.22	62.5
Nov.	136.1	147.3	157.1	202.5	207.9	263.63	62.5
Dec.	138.1	148.2	158.3	204.2	210.5	257.69	63.2
1979							
Jan.		150.4	159.8	207.2	217.5	260.63	63.4
Feb.		151.1	161.5			267.36	64.3

* Not seasonally adjusted.

UK NEWS

Ocean looks at £6m rail freight plan

BY LYNTON McLAIN

OCEAN Transport and Trading, one of Britain's largest shipping groups, may back a £6m plan for up to three inland road and rail freight terminals. This could lead to a major transfer of freight from road to rail.

A £50,000 nine-month study of the possibilities is being undertaken by Ocean's subsidiary, Transflash McGregor, a Bradford-based freight forwarding company, most of whose cargo is transported by road.

Talks with British Rail on suitable sites for sidings started five months ago, Mr. Harry Pointon, managing director of Transflash McGregor, said in London yesterday. The plan had been given added impetus by the "unmitigated disaster for freight forwarders" of the lorry drivers' strike

Road haulage costs were rising at a "staggering rate." he said. There had already been "savage" increases as a result of the strike and the impact of environmental pressure groups, the tachograph and the *reduction in permissible hours* for drivers, to conform with European Commission laws "should make rail forwarding competitive in price and speed," Mr. Pointon said.

Rail already had a 10 per cent price advantage over road haulage, and this differential would increase, he said.

The company's move into rail forwarding, if agreed, would be based on up to three rail terminals each able to handle 2,000 tons of cargo a week.

Rising road haulage costs would be accompanied by improved rail transport economics due to technical developments. New rail freight wagon designs, twice as long as existing 30 feet designs, are already being introduced by British Rail. Each has a 54 ton capacity, compared with a 32 tons maximum loaded weight of lorries in Britain.

The TOPS rail computer for freight handling would also improve efficiency and would be fully operational in Europe in two years. TOPS will store details of location or destination *of individual cargoes.*

U.S. scientist discounts genetic engineering risk

BY DAVID FISHLOCK, SCIENCE EDITOR

THE RISKS from genetic engineering are so slight that British researchers should stop worrying about them, says a Nobel Prizewinning scientist who directs a leading U.S. research centre in the field.

Professor James Watson, who shared the 1962 prize with Dr. Francis Crick for their discovery of the "double helix" structure of genetic material at the University of Cambridge, believes Britain should abandon efforts to regulate the work of scientists in this field, and press on with research as quickly as possible.

Writing today in the journal Nature, he says there is no evidence that any experiment in genetic engineering "poses any realistic threat to any scientist who uses the tools of his trade, much less to society itself" but society should remain aware that research workers might succumb to a disease not seen before.

He criticises the efforts of the Government's Genetic Manipulation Advisory Committee in trying to decide which experiments should and should not be performed, as "having no more validity than quantitative religion."

The advisory committee, chaired by Sir William Henderson, has undertaken to say whether a given experiment should be undertaken.

EMI brain scanner gives better data, says survey

EMI's brain scanner gives the doctor better diagnostic data than X-rays for a given amount of radiation, says a study made jointly by the National Radiological Protection Board, the Government's "watchdog" on public exposure to radiation, and the company.

The study was undertaken partly because of fears in the U.S. that the new technique of *X-ray scanning, pioneered by* EMI, was over-exposing patients to radiation.

These fears have been responsible for some of the sharp decline in sales of computerised tomography scanners. *EMI, with over 50 per cent of* the world market, has been particularly severely affected.

The survey, published in the latest *issue of the British* Journal of Radiology, shows that a typical brain scan exposes the patient to about the same amount of radiation as one or two conventional skull radiographs.

But if the brain scan is made in the *high-accuracy mode*, the patient receives about five times the dose.

The researchers investigated all present models of EMI-Scanner except the most recent.

OFFICIAL REPORT WARNS OF GRAVE RISKS OF DECLINE

Sony to double stake in Britain

SONY, the Japanese consumer electronics company, is to *double its manufacturing invest*ment in the UK with a £6m expansion of its factory in Bridgend, South Wales, it was announced yesterday, writes Max Wilkinson.

The plant, which is now making 100,000 colour television sets a year, is to be expanded to a capacity of 150,000, half of which will be exported.

The expansion, helped by government grants, will add *140,000 square feet to its* factory. New buildings for quality research and development work aimed to increase the proportion of UK-made components are also to be added.

The extension will be completed in late 1980. By 1983 the number of employees at the factory is expected to go up from the present 650 to 850.

Investment

Sony (UK) said the new investment would be about £6m in addition to the investment *of £5m so far. He said there* would be a substantial contribution from the Government under various industry schemes, but *the exact amount had not yet* been calculated.

Sony added: "We are particularly pleased that our increased investment in the UK carries the support not only of the Welsh Office, but also the Department of Industry."

Mr. John Morris, Secretary for Wales, said yesterday: "In five years Sony has established itself *as one of the major employers* in South Wales and as an important contributor to the UK export effort and to import saving."

Japanese investment 'can save electronics industry'

BY MAX WILKINSON

THE BRITISH consumer electronics industry is facing grave risks of further decline unless it can achieve a major rationalisation and an influx of new technology, according to a strategy document presented yesterday to the National Economic Development Council.

The report by the consumer electronics working party suggests that Japan would be *one of the most important* sources for new technology and investment needed to rescue the industry.

Total investment needed over the next five years could be about £300m. A substantial proportion of this would have *to come from the Government.*

The report does not say how much the Government subsidy should be, but it can be *assumed* that *the* taxpayer would have to give about £75m to £80m over the period.

To be competitive, colour *television production* would have to be concentrated in a few large plants each with a capacity of 500,000 sets a year.

*The working party's conclu*sions are based on an international study of the industry commissioned from the Boston *Consulting Group last March.* The study concentrated on colour television, but it says similar arguments apply to *other consumer electronic pro*ducts.

The report recognised at an early stage that weaknesses in the UK industry's *structure* were a barrier to improved performance.

"It also recognised that rapid changes were occurring in the pattern of international trade and investment, which carried with them substantial risks for the future development of the industry in the UK."

Weaknesses

The restrictions applying to the licence for the PAL colour system used in all western *Europe except France had* tended to limit imports of colour sets to the UK. But the effectiveness of this non-tariff *barrier was likely to diminish* as patents expired in the next few years.

The Boston group's study focused attention on four main weaknesses in UK manufacturers:

- The relatively small size of UK factories and the frag*mentation of the industry* between nine different manufacturers.
- Weaknesses in product technology and design.
- Weaknesses in production technology.
- Deficiencies in the quality of products and components.

The working party adds its own fears about weak development of new products, of export marketing and a low level of industrial research, including the gathering of industrial intelligence.

"Against this background, the future of the industry looks extremely bleak, and a further loss of market share, and hence of UK output and employment, may be anticipated in the future."

Development

This decline could be expected to be caused by:

- The diminishing effectiveness of the PAL licence as a trade barrier:
- The possible decline of the rental industry in the UK. The rental chains have acted historically as a barrier to imports since they buy mainly British sets, and in some cases are controlled by set-making companies.
- Increasing industrial development of the Far East, including production in Korea and elsewhere using Japanese technology.
- Efforts by rival European set makers to improve competitiveness as the protection of the PAL licence diminishes.

The report said the Boston group had clearly demonstrated the technological lead taken by Japanese *manufacturers in* terms of manufacturing process and of product design aimed to reduce the assembly costs. *This had given Japan a 25 per* cent cost advantage over European producers.

The Boston group said that the survival of the UK industry against these competitive pressures would depend on re-organisation of UK colour television production into units large enough to justify the use of cheap automated assembly. The size of these units would be about 500,000 sets a year.

Expansion

Secondly, the group said the UK industry would require *increased involvement* of existing Japanese technology. It would also have to buy process technology from abroad, and *improve* the quality of UK components.

The working party commented on these suggestions: "In the UK, only Thorn and Phillips currently possess the colour television production volume (although dispersed over several production sites) necessary to establish a single plant of the necessary scale for low cost automated assembly."

The consultants have established that the Japanese see the UK as the best country in Europe for expansion of television and consumer electronics production.

The advantages seen by the Japanese include the large home market, low labour costs, a sound technology base, an experienced labour force, good trading relations and the language.

The working party broadly agree with the plan to encourage Japanese investment, but said it involved the danger that most advances in the new technology would be carried on outside the UK.

It suggested, therefore, that licencing arrangements combined with the establishment of a UK industry research association could help to strengthen the UK's technological base.

No future production target is given in the report, but the working party is believed to be aiming for a total ouput of some 3m colour sets a year in the mid-1980s, of which 1m would *be exported.*

City celebrations for Institute of Bankers

By Michael Lafferty, Banking Correspondent

THE Institute of Bankers, with a membership of 111,000, is celebrating its centenary this week.

The centenary events in the City include a conference of *presidents and chief executives* of world banking institutes, a service of thanksgiving in St. Paul's Cathedral today, and a *centenary dinner at Guildhall* tomorrow.

Mr. Malcolm Wilcox, a chief general manager of Midland Bank, is president of the institute.

Bullish outlook for gilts, say stockbrokers

BY OUR ECONOMICS CORRESPONDENT

A BULLISH outlook for gilt-*edged stock over the next year* is being put forward in stockbrokers circulars.

But several City analysts warn *that the market will need to be* convinced of the plausibility of the Budget measures and projections.

Phillips and Drew says the recent sharp rise in gilt prices has reflected hopes that there will be a tough budget.

But "the market may need convincing that the Budget measures indeed ensure that public sector borrowing will not exceed £8.5bn in 1979-80.

"Nevertheless, a slackening in the pace of economic activity, *which is already evident in pro*duction and employment statistics, provides a favourable background for gilts in the year ahead.

"Furthermore, the stability of sterling, on the back of a modest current account balance of payments surplus, will enhance the international attractions of double-figure yields on UK Government securities.

Stockbrokers Fielding Newson-Smith argue that long-term yields have now peaked after the turn in the market last month. The prospect of a fiscal deflation reinforcing the slowdown in economic activity which has already started seems to provide the background for a gently declining level of interest rates from now.

However, the brokers still believe that the 12 month rate of inflation will not move above a range of 10 to 11 per cent this year.

A similar view of the inflation prospects is taken by the Henley Centre for Forecasting in the March issue of its framework forecasts published yesterday. The centre projects an average rate of price inflation of 10.7 per cent this year.

Wives win appeal on eviction

TWO BUSINESSMEN'S wives who discovered that their husbands had mortgaged their homes to a bank to raise working capital yesterday won an Appeal Court battle against eviction.

Lord Denning, Master of the Rolls, said that a mortgagee should take account of a wife's *interest in her home when lend*ing money to the husband—even if only the husband's name was on the title deeds.

The court allowed, with costs, apepals by Mrs. Anne Brown, of The South Glade, Bexley, Kent, and Mrs. Julia Boland, of Ridge Park, Purley, Surrey, against possession orders for their homes granted to Williams and Glyns Bank.

Possession proceedings had been taken when Mr. Norman Brown, a film producer, owed the bank £38,000, and the business of Mr. Michael Boland, a builder, failed, leaving £32,500 debts.

The bank was given leave to appeal to the House of Lords on its undertaking not to apply for any costs against the two wives if successful.

APPOINTMENTS

Craven joins S. G. Warburg

Mr. John Craven, the former chairman of Credit Suisse First Boston, is to join S. G. Warburg, the British merchant bank, as vice *chairman.*

Mr. Craven, 38, will thus be returning to the bank which he left in 1972 to join White Weld, the *U.S. investment* bank which later joined forces with Credit Suisse in Europe to establish the forerunner of Credit Suisse First Boston. He became a director of Warburgs in 1969—at 28, one of the youngest ever.

It was largely because he disagreed with the link up between Credit Suisse and First Boston that Mr. Craven left CSFB late last year. Since then his next employer was the subject of much speculation *in the City.*

Mr. Craven has had to stand down as representative of the foreign banks on the City's *Council for the Securities Indus*try. He will join three other vice-chairmen at Warburgs which also has two co-chairmen and a deputy chairman.

★

Mr. Desmond H. Pitcher has been elected to the main Board of the PLESSEY COMPANY. He is managing director of Plessey Telecommunications International, the management company in charge of the

DESMOND PITCHER

Group's *worldwide* telecommunications interests. This company is soon to be restyled Plessey Telecommunications and *Office Systems. Until October 1,* 1978, Mr. Pitcher was managing director of the then Leyland Vehicles Limited. Prior to that, he *was* deputy chairman of Sperry Rand.

★

Mr. F. M. Hodgson, formerly *group secretary of* DE BEERS CONSOLIDATED MINES, has been appointed a director in place of Mr. A. S. Hall who has *retired. Mr. Hodgson will retain* responsibility for the head office organisation in Kimberley and the group's offices in Cape Town and Windhoek. He will also continue to provide advisory and co-ordinating services to the administrative and financial departments on group mines. Mr. J. D. B. Engels, formerly senior companies secretary, has been appointed secretary of De Beers Consolidated Mines.

The resident director of De Beers Consolidated Mines, Mr. Alex Hall, who for many years has played a leading role in the affairs and growth of Kimberley, has retired after serving the company for 50 years.

★

WILLIAM PICKLES AND CO. has appointed two additional members to the parent Board. Mr. Roger G. H. Fielding becomes managing director of the apparel division, and Mr. Alan E. Lambert is managing director of the sports and leisurewear *division.*

★

TUDOR SAFETY GLASS COMPANY, part of the Royal Doulton Group, has been reorganised into two separate divisions. Mr. Geoff Barrett has been made managing director of the architectural glass division, which is moving to a new seven-acre complex at Sittingbourne, Kent. The space released will allow for expansion of the laminated windscreen division under its new managing director, Mr. Ken Bell.

★

GUARDIAN ROYAL EXCHANGE ASSURANCE announces that Mr. E. P. Greenfield, general manager, group *development*, will, *in addition*, become chief actuary and be given strategic responsibility for the group's world-wide life operations. The appointment is from June 30 on the retirement of Mr. O. V. Hackett, currently deputy general manager and chief actuary. Mr. G. C. Nunn has been appointed to assistant general manager and principal actuary and Mr. S. A. Hopkins becomes assistant general manager, Life.

★

Mr. Charles Morland, a local director of the Birmingham district of BARCLAYS BANK, has been seconded to the industrial development unit of the Department of Industry in *London as a deputy director.* The unit is involved in the financial and commercial appraisal of applications for selective assist*ance from the manufacturing* sector.

★

Mr. David L. Milne will be *joining* GLYNWED as financial director. He has been group finance director of Wilmot Breeden (Holdings) since 1975.

★

Mr. Ian MacKnight has been appointed director of marketing at MEREDEW FURNITURE.

★

Mr. Charles F. W. Wyatt has been appointed a director of Western Queen (1936) NL, the WESTERN QUEEN (1936) NL, the Western Australian oil and diamond exploration company.

★

Mr. Brian R. Councell, distribution general manager of BASS NORTH, has been appointed to the Board as distribution director.

Additions to Debenhams subsidiary Boards

DEBENHAMS has made the following appointments to the Boards of subsidiary companies: Mr. J. B. Vickery, formerly commercial director of Debenhams department store division and recently appointed trading director of the fashion multiples division, has been appointed a director of Harvey Nichols and Company, Lotus, and Debenhams (Manufacturing and Sup*plies)* ("English Lady"). Mr. F. A. Taylor, financial controller of Lotus, has been appointed a director. Mr. E. A. C. Rayne has been appointed assistant managing director of H and M Rayne. Miss E. Wilkinson, who is responsible for personnel at Cresta Silks, has been appointed a director.

★

IMI has formed a company called IMI DRINKS DISPENSE. Chairman of the new concern is Mr. R. Amos (an executive director of IMI) and Mr. R. S. Spencer has become deputy chairman. Mr. C. S. Grenwood succeeds Mr. Spencer as managing director of *IMI Paxman* and Mr. R. S. Johnson has been appointed managing *director of Redditch Controls*, replacing Mr. D. M. E. Rawlings.

★

The Secretary for the Environment, has appointed Dr. Alan H. Wickens, director of research, British Railways, to the NOISE ADVISORY COUNCIL.

★

Commander Hugh Faulkner has been appointed secretary of the ROYAL WARRANT *HOLDERS ASSOCIATION* on the retirement of Lt.-Col. W. Keown-Boyd. The president, Mr. Richard Roberts has resigned on completion of his year in office. The Council has elected the following officers to serve for the ensuing year:—President Sir Nevil Macready managing director of Mobil Oil Company; vice-president Mr. J. A. Riddell-Webster, chairman of National Benzole; and honorary treasurer, Mr. Edward Rayne, chairman and managing director of H. and M. Rayne.

★

The Lord Chancellor has appointed Mr. Registrar Grundy to succeed Mr. Registrar Hibbert as one of the two registrar members of the COUNTY COURT RULE COMMITTEE.

★

Mr. Michael Gosbell has been made sales director, automotive division, of RANWAL, Luton-based industrial foam converters. *He was previously sales manager.*

★

Mr. David Rennie and Mr. Bob Mundy have formed LEASEMETRIX, which will be engaged in the short-term rental of sophisticated electronic test equipment, and have become managing and sales director respectively. Mr. Bob Gollman, a director of Development Capital, which manages Small Business Capital Fund, the venture capital arm of the Co-operative Insurance Society, who are providing the backing, and Mr. Derek Warren, have also joined the Board.

★

Mr. J. H. Murray has been appointed a non-executive director, Mr. A. McQuater company secretary and Mr. N. D. Jefferies credit manager of WHOLESALE VEHICLE FINANCE.

★

Mr. Barry Buttifant has been made finance director of the AMOY CANNING CORPORATION (HONG KONG), a subsidiary of Sime Darby. Previously he was director and group accountant for Davenports Brewery. Amoy has also appointed Mr. Harold Bingley as marketing controller—food. Previously, Mr. Bingley worked as *marketing manager for* Yardley International in the Philippines.

★

Mr. Michael D. Rowley has been appointed a director of KIRKLAND-WHITTAKER GROUP.

★

Mr. J. B. Smith has been appointed chief executive of WOOD HALL BUILDING GROUP, a member of the Wood Hall Trust group of companies.

★

Mr. Patrick Hodgson has joined J. HENRY SCHRODER WAGG as an assistant director.

★

Mr. John Shepherd, group director of THOMAS COOK, has retired after 32 years with the company.

★

Following his appointment to the Board of Gallaher Mr. H. E. Martin-Leake has become chairman of SAUNDERS VALVE COMPANY. He continues as chairman and chief executive of the Mono Group (both companies are Gallaher subsidiaries). Mr. George Brown remains as chief executive of Saunders Valve and becomes deputy chairman.

★

Mr. F. Pickles has been appointed chairman of ASHLEY ACCESSORIES, Astral Pressings, and Ranton and Company (Rock Electrical Accessories). He will retain his former duties as managing director.

★

Mr. H. R. Toomey has been appointed managing director of CENTRAL PLASTICS (INDUSTRIAL).

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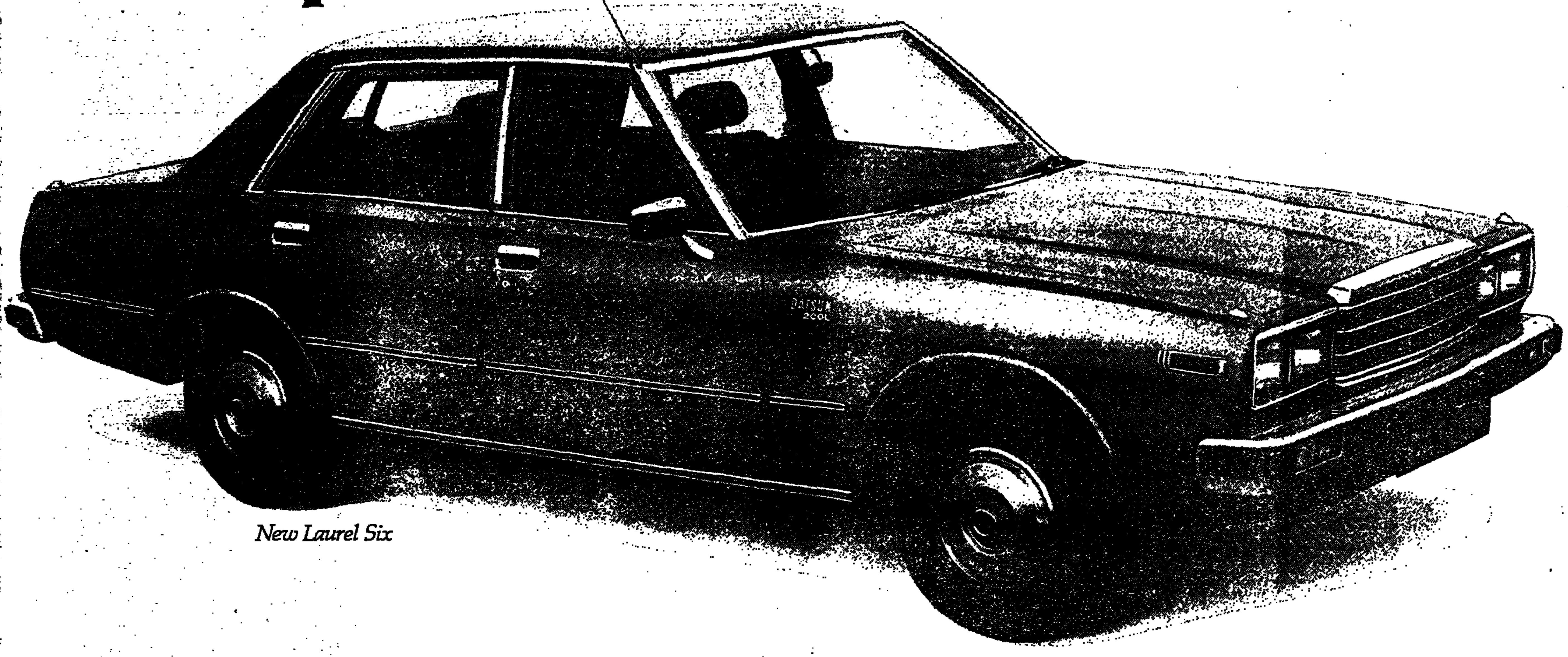
Now, Datsun's new Laurel Six leaves its competitors even further behind.

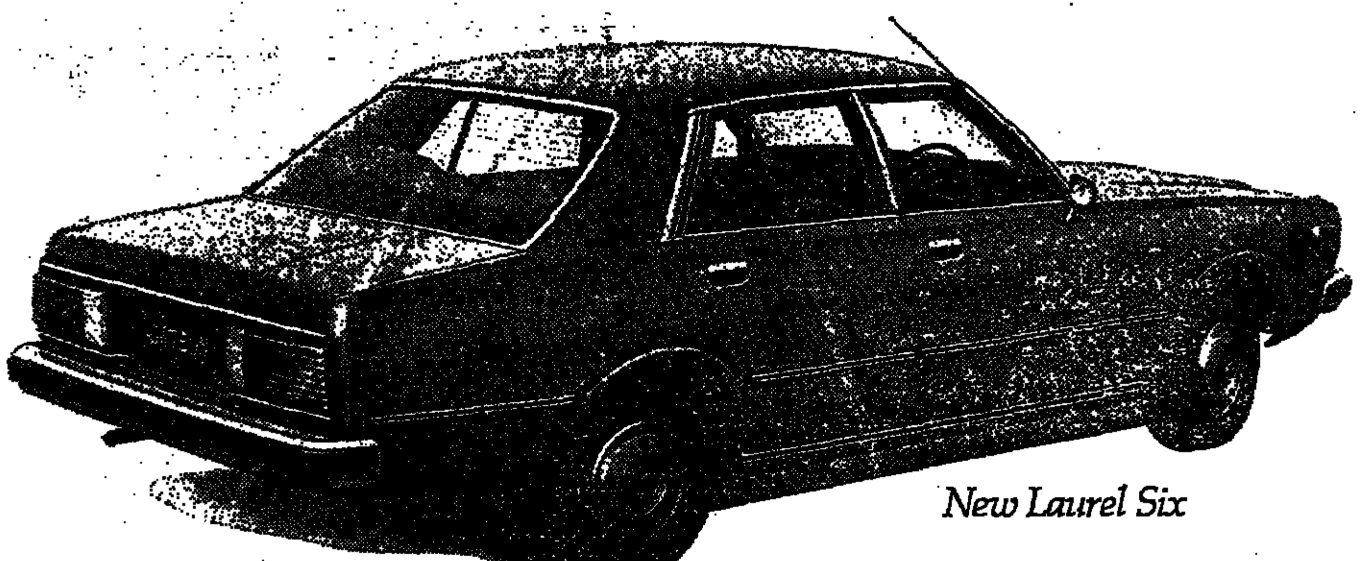


New Laurel Six

Among 2 litre executive cars of quality and distinction, the new Laurel Six Mark II, by Datsun, really stands out as remarkable value.

For 1979 the Laurel Six—already an impressively luxurious and well-equipped car—has been refined even further.

It has crisp and distinctive new styling front and rear; the long list of no-cost "extras" has been stretched even longer; power steering is now fitted as standard... and the price remains uncompromisingly competitive!



New Laurel Six

Datsun is justifiably proud of its range of high quality engineered cars. They are designed to provide comfortable, smooth motoring with all the equipment you could reasonably require, but don't usually find in competitors.

The Laurel Six Mark II, for example, starts with a powerful advantage over most cars in its class because it has a delightfully smooth and flexible engine with six cylinders instead of the usual four. Like other executive cars, it offers you a luxurious interior, upholstered in cloth and with thick pile carpeting. Unlike the others, the new Laurel Six gives you a list of standard equipment that includes tinted glass, stereo cassette player, push-button radio, tilt adjustable steering, headlight monitor lamps, boot and fuel lid opening levers controlled from the driver's seat and a host of other thoughtful features.

The Laurel Six Mark II also has the unique advantage of Datsun's reputation for quality and reliability, confirmed by the recent independent report that Datsun have fewer warranty claims than *any* other car tested.

The Laurel Six Mark II is at your dealer's showroom now priced at £4937.22. We think you will agree that represents remarkable value for such an impressive and distinctive 2 litre luxury car.

Visit your Datsun dealer soon. He has a large selection of quality Datsuns to show you from the best selling Cherry and Sunny ranges, to the new Skyline 240K Coupé with 2.4 litre fuel injection engine and electronic ignition.

(P.S. Any day now, he is also likely to have the incredible, high performance Datsun 280ZX 2 seater and 2+2—already winner of the coveted 1979 "Imported car of the year" award in America!)

	Laurel Six Mark II	Mercedes 200	Audi 100L 5S	BMW 520	Volvo 244 D/L
Engine	1998 6 Cyl	1988 4 Cyl	2144 5 Cyl	1990 6 Cyl	2127 4 Cyl
Price	£4937	£7346	£5790	£7099	£5285
Tachometer	✓	NO	NO	NO	✓
Tilt adjust steering	✓	NO	NO	NO	NO
Radio MW/LW	✓	NO	NO	NO	NO
Stereo cassette	✓	NO	NO	NO	NO
Power steering	✓	✓	£390 extra	£312 extra	£287 extra
Door warning reflectors	✓	NO	NO	NO	NO
Interior fuel lid release	✓	NO	NO	NO	NO
Interior boot release	✓	NO	NO	NO	NO
Headlight warning monitor	✓	NO	NO	NO	NO
Door ajar warning light	✓	NO	NO	NO	NO
Rear heater duct	✓	NO	NO	NO	✓
Plug in lead light	✓	NO	NO	NO	NO
Tinted glass	✓	NO	£237 extra	✓	£150 extra
Inner protective fender	✓	NO	NO	✓	✓
Lockable glove box & light	✓	NO	✓	✓	✓
Adjustable head rests	✓	✓	✓	✓	NO
Body side protective moulding	✓	✓	✓	✓	✓
Bumper with protective rubber strip	✓	✓	✓	✓	✓
Handbrake warning light	✓	✓	✓	✓	✓
Quartz clock	(Digital)	✓	✓	✓	✓
Centre console	✓	✓	✓	✓	✓
Laminated windscreen	✓	✓	✓	✓	✓
Halogen headlamps	✓	✓	✓	✓	✓

Prices quoted include Special Car Tax, V.A.T., Inertia Reel Seat Belts and Driver's Door Mirror.

Skyline 240K Coupé

DATSUN U.K. LIMITED, DATSUN HOUSE, NEW ROAD, WORTHING, SUSSEX. TEL: WORTHING 68561 DATSUN

UK NEWS—PARLIAMENT and POLITICS

PM outlines pay commission's role

BY IVOR OWEN

ADVANTAGES gained by workers in the public sector through greater job security and index linked pensions will be among the factors considered by the Standing Commission on Pay Comparability, the Prime Minister assured the Commons yesterday.

There was a mixed reception for the new body, with Mrs. Margaret Thatcher, the Opposition leader, warning that the pay settlements resulting from its deliberations could prove inflationary.

Labour and Tory backbenchers saw it as an instrument for perpetuating incomes policy.

Mr. Callaghan maintained that the dislocation caused by the strikes by low paid public service workers showed the need *for such* a body, which he believed the public would see as a welcome and early development from the recent agreement reached between the Government and the *TUC*.

He emphasised: "I think more and more people are moving to the conclusion, certainly in the public sector where free collective bargaining clearly does not apply, that an incomes policy is becoming more and more self-evident."

The Prime Minister looked to the standing commission to prevent any further "merry-go-round" of leap-frogging wage claims.

He contended that the fact that it would be operating on a permanent rather than an ad hoc basis offered the hope that it would be more successful than earlier pay review bodies in *ensuring that* "this circularity will not be allowed to persist."

He confirmed that the standing commission's first task would be to undertake the comparability studies offered to the four groups of public service workers involved in recent disputes—the local authority manual workers, National Health Service ancillary workers, ambulancemen and university manual workers.

The commission was being asked to report on these groups by August 1, 1979 and this meant that the chairman, Professor Hugh Clegg, and other members, were being set "rather a fast pace" for the first few months.

Mr. Callaghan defined the commission's role as being "to examine the terms and conditions of employment of particular groups of workers referred to it by the Government in agreement with the employers and unions concerned, and to report in each case on the possibility of establishing acceptable bases of comparison, including comparisons with terms and conditions for other comparable work and of maintaing appropriate internal relativities."

Any further role for the commission in each case would be a matter for agreement between the Government and the parties.

If the nurses accepted the Government's offer of a comparability *study*, their case would also be examined by the commission.

Mrs. Thatcher argued that the arrangements outlined by the Prime Minister contained a fundamental contradiction.

The commission was being asked to examine the feasibility of establishing acceptable bases of comparison while at the same time the assumption had been made that bases for comparison existed. Some of *the workers had even* been offered £1 on account.

Mr. Dennis Skinner (Lab., Bolsover), a member of the party's national executive, caustically reminded the Prime Minister that there was another view about incomes policy.

"It's known as Labour Party policy," he said.

Mr. Skinner dismissed the members of the commission as a "crowd of unacceptable moonlighters," and complained that what happened in the real world was that the workers got "hammered" while the wealthy groups, like those who speculated in gilts, picked up the money.

With an unusual show of irritation, the Prime Minister accused Mr. Skinner of exhibiting his usual arrogance by assuming that he was the only one who knew what the Labour Party view was.

"I am tired of taking it from him every time he gets up," said Mr. Callaghan. In the real world, he insisted, wherever comparability arrangements applied, those concerned were the last to want them removed.

An equally jaundiced view of the commission came from Mr. Hugh Fraser who asked why it was necessary to regurgitate the failures of previous governments.

The proposal to establish the commission was just another way of deluding workers *and* guaranteeing inflation and should be withdrawn.

The Prime Minister replied that the new body would be able to benefit from the mistakes of the past.

It was *starting its life with* the advantage that the trade unions were in agreement that a fresh attempt should be made *to overcome* the problems which had caused difficulties in the past.

But he agreed with Mr. David Price (C, Eastleigh) that there was no scientific or objective basis for calculating pay rates. "There must be some basis. We have to do the best we can. It *is a very muddled field*."

Mr. Callaghan underlined the fact that the commission would operate only with the agreement of the parties concerned. It would not subsume other negotiating bodies like the Burnham Committee which deals with teachers' pay, but if, as it grew in authority, other groups wished *to* come within its ambit they would be free to do so.

Replying to Mr. Michael Heseltine, *the* Conservative shadow environment minister, the Prime Minister confirmed that the cash limit would not prevent the Government increasing the *amount provided* for local authorities through the rate support grant to take account of any comparability award made to local authority workers.

Directors bemoan low pay

BY JOHN LLOYD

THE salaries of a number of Board members of nationalised industries are still less than those of executives below Board level, the select *committee on* nationalised industries was told yesterday.

This would remain true even after implementation of salary increases recommended by the Top Salaries Review Body and accepted by the Government last July, unless these increases *were accompanied by an annual* "update" to take account of inflation.

It was possible that "reverse differentials" would remain even then.

The salary increases, which are around 30 per cent up on the levels recommended by the TSRB in 1974, were to be paid in three stages—one, already paid, in January of this year; a second next month and the third *in April 1980*.

Mr. Peter McCunn, deputy chairman and managing director of Cable and Wireless, the state-owned telecommunications company, said that six executives below Board level in the company were at present earning more than he was.

Mr. Denis Dodds, the chairman of the Association of Members of State Industry Boards, told the committee that *in another State industry*, 47 Board members had received less than top executives.

In a memorandum submitted to the committee, the Association argues that "anomalies in relationships and reverse differentials will remain at least until April 1980 and their removal even at that time will depend on a Government commitment to update the salaries.

"The Government's failure to implement pay increases recommended in 1974 continues to be a matter of astonishment in a society concerned to be even-handed in dealing with the *rights of minority groups*."

Silkin defends refusal to phase out MCAs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN is determined that there should be no increase in EEC farm prices until the large agricultural surpluses within the Community are eliminated, Mr. John Silkin, Minister for Agriculture, told the Commons yesterday.

He defended the position he had taken up during the Council of Agricultural Ministers' meeting in Brussels on Monday and Tuesday.

He had refused to accept the Commission's proposal for a two-year phasing out of Monetary Compensatory Amounts (MCAs), the subsidies which are paid on agricultural imports and exports between member countries.

The Commission's proposals would have meant increases in common prices for some of the member countries, he told MPs.

"*This would have prejudiced* our resolve to ensure that there are no increases in common prices until structural surpluses are eliminated.

"I therefore refused to agree to the proposals unless they were linked with a decision to freeze prices."

Despite Britain's opposition, the other eight member countries had decided to go ahead with the scheme to phase out MCAs. They had agreed between themselves to behave as though the proposals were in force.

"This is a decision for those member states but it has no effect in Community law," Mr. Silkin said. "It in no way affects our ability to get a sustained freeze of common prices nor have we accepted the automatic reduction of our own MCAs.'

The Council of Ministers had agreed in principle to the Com*mission's proposal* for a 5 per cent devaluation of the Green Pound, the unit of account used to fix MCAs.

Mr. Silkin said he had supported this move as it was in line with the Government's own farm policy.

The Council also discussed *the proposed co-responsibility* levy on milk producers which is intended to stop over-production of milk. "The Minister said he had made it clear that Britain could not accept this proposal in its present form because "it grossly discriminates against our own efficient dairy industry."

He had also pressed at the meeting for an early decision on a reduction of the tariff on the import of new potatoes from *Cyprus* and had urged that proposals to safeguard farm animals in transit should be brought forward quickly.

Mr. John Peyton, the Conservative agriculture spokesman, strongly supported the stand which the Government had taken on the co-responsibility levy.

He said it would have had a fierce effect on our own efficient producers, while being particularly tender to the *Germans*, who had played a large part in generating the milk surplus.

He asked for a better explanation of the dispute over MCAs and the decision of the eight countries to go ahead without Britain.

"What really does it mean?" *he asked*. "*Does it mean that* the Commission will not be bound by their decision, and therefore MCAs will be paid as before?"

He also approved the Government's support of the 5 per cent devaluation of the Green Pound, but wanted to know *when this* was likely *to* be implemented.

Shipbuilding aid 'still essential'

STATE AID to British Shipbuilders must be kept up while the worldwide recession in merchant shipbuilding continues, if the country wants to have a shipbuilding capacity *when the upturn comes, Sir* Peter Carey, Permanent Secretary at the Department of Industry, made clear yesterday.

Without the £85m intervention fund, he said, the industry would no longer exist.

While the present gap between demand and supply for ships existed internationally, the best the Government could hope for was that the Corporation would break even.

But he insisted that the Government would not be prepared to pour more money into the industry if it did not believe that, ultimately, there was a real possibility it would become profitable.

Once demand recovered internationally, he claimed, British Shipbuilders would be in a position to make money. In the medium term, however, further funds would be needed, and the Government would want to continue the intervention fund, designed to attract orders to British yards, after next year.

Speaking to the House of Commons public accounts committee, Sir Peter acknowledged the criticisms made recently by *the Comptroller* and Auditor-General about British Shipbuilders' very low productivity.

But he defended the non-selective way the intervention fund had been used to help the industry by arguing that it had been a "survival package."

The industry, he said, had to take orders where it could get them and then give them to *those yards which had the* capacity to deal with them.

Though Sir Peter claimed that the Government believed British Shipbuilders had a long-term future, he conceded that it would be a very different industry to that which existed before hte recession hit shipbuilders throughout the world.

Stock Exchange directive

THE UK has two years in which to implement the EEC directive on conditions for *admission of securities to* official Stock Exchange listing, Mr. Clinton Davis, Trade Under Secretary, said in a Commons written answer.

The directive was adopted on Monday, March 5. "In the UK, relatively little change will be required to the rules and practice of the Stock Exchange, as these are to a large extent already in line with the provisions of the directive," Mr. Davis said.

RAC attacks higher petrol tax plan

GOVERNMENT plans to replace the £50 a year vehicle excise duty with higher petrol tax were attacked by the RAC last night as "grossly unfair to a high proportion of motorists."

Mr. Jack Williams, chair*man of RAC's public policy* committee, said in a letter to Mr. Denis Healey, Chancellor of the Exchequer: "There is no reason why high-mileage motorists, using vehicles for essential purposes, should contribute more towards the Government's expenditure in *other areas*."

Assets blocked

The value of Rhodesian assets blocked in the UK could well be more than £100m. Mr. Ted Rowlands, Foreign Minister, told the Commons it was not possible to estimate the value of British assets blocked in Rhodesia, but they were believed to be of greater value.

Shah request

The Government has not received any formal request from the Shah of Iran to come to Britain, Mr. Frank Judd, Foreign Minister, told the *Commons*.

White Paper notes research progress

BY DAVID FISHLOCK, SCIENCE EDITOR

CHANGES *made* in the management and funding of Government research in 1972, following proposals from Lord Rothschild, as head of the Cabinet Office "*think tank*," *have strengthened* the Government's research and develpolment machinery, concludes a White Paper published yesterday.

But the Government has identified four problem areas for further study:

- The recruitment, structure and management of the Scientific Civil Service, and specifically the movement of scientists into adminstrative posts:
- The need for its Advisory *Board on the* Research Councils to spend more time on general scientific issues;
- The problems experienced by the Department of Health in managing research by the Medical Research Council in areas in which the department lacks its own expertise;
- *The problems of the* Social Science Research Council in commissioning research.

The basis of the 1972 changes (Cmnd 5046) was a substantial shift of the science vote towards research promoted by Government departments in support of their policies, and away from research undertaken without a direct application in view.

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The changes, broadly designated the customer-contractor relationship, were *strongly contested by the* scientific community, and particularly by medical scientists.

They require departments "to act as enlightened customers, *collaborating with contractors* so that these give of their best in discharging particular commissions and develop, and improve, their capability for the future."

Departments and their research and development contractors, says the White Paper, are increasingly pooling their experience and expertise, "and this must, over time, enable each party to perform its functions more efficiently."

As *a result of the setting up* of chief scientists and their secretariats in certain departments, these are now better placed to determine what resources should be devoted to research and development.

The White Paper says that it is still too early to evaluate the *strength of arrangements for* inter-departmental co-ordination introduced in 1976.

But present indications are that they are working well.

Research and development totalling £286m was commissioned by the civil departments of Government in 1977-78. The Ministry of Defence spent another £802m in this way.

Review of the framework for government research and development. Cmnd 7499. S.O. £1.25.

Debate on Times rejected

THE Speaker yesterday rejected two requests for emergency debates.

Mr. Max Madden (Lab., Sowerby), calling for debate on the continued closure of The Times, said that final dismissal notices for the group's longest serving employees took effect from Friday.

This brought the number of people sacked to 3,000. "It is imperative that the Government this week takes some real initiative to secure proper negotiations between management and the unions," he said.

Mr. Tony Newton (C., Braintree) called for a debate on the failure of the Government to repay its debts to national savings certificate holders because of an industrial dispute.

He said the certificates funded the Government's borrowing requirement. Anything which destroyed the confidence on which this funding rested deserved *urgent consideration*.

Meanwhile, the Family Violence (Scotland) Bill, which would allow a court to make an exclusion order removing a violent spouse from the family home, was given a formal first reading in the Commons.

The Bill—introduced by Mr. George Reid (SNP Sterling E. and Clackmannan) has virtually no chance of becoming law because of the backlog of Private Members' Bills.

Tougher court reports plan watered down

THE GOVERNMENT is backing moves to water down a Private Member's Bill designed to place new restrictions on the reporting of committal proceedings.

The Bill—introduced by Scottish barrister Mr. Nicholas Fairbairn (C., Kinross and Perthshire) against the background of the Jeremy Thorpe case—would restrict reporting *to the name of the accused*, the charge and the decision of the court.

Reporting would be permitted only if the accused was discharged or when the trial was over.

But in detailed debate on the measure in committee yesterday, Mr. Leo Abse (Labour Pontypool) insisted that if a defendant was standing alone he should have the right to choose publicity.

Where there was more than one defendant, all would have to opt for reporting restrictions to be lifted before it could be done.

Dr. Shirley Summerskill, Home Office Under-Secretary said Mr. Abse's proposals were a "vast improvement" to the Bill.

"He has arrived at an acceptable compromise and he has *made a strong case for lifting* reporting restrictions when all the defendants ask for it."

But she added: "There is something unacceptable in allowing one co-defendant's wishes to ride roughshod over the wishes of the rest."

Mr. Abse said the Bill as it stood meant that no committal proceedings could, in fact, be open to the Press.

A recent case involving a former South Wales mayor highlighted the difficulties there would be if the Bill became law. There had been rumours about his association with a business*man but the two men were both* adamant about their innocence.

They wanted to ensure during the committal proceedings that nothing was hushed up—and the case against them was eventually dismissed.

If this Bill went through in its present form, they would *not have been able to get the* publicity they wanted, said Mr. Abse.

Shortly before the debate was adjourned until next week, Mr. Fairbairn said: "I do not think it is right for the defendant to choose how much publicity he gets."

● *With Scottish courts* paralysed by the civil servants' strike, a Glasgow lawyer yesterday decided to take the Government to the Court of Human Rights in Strasbourg because of what he described as its "disgraceful failure to provide failure to provide justice."

Mr. Ross Harper, *former president of the* Glasgow Bar Association, is petitioning the court to indict the Government for violating the Human Rights Convention.

LABOUR

Nearly half Dunlop's staff strike over job cuts

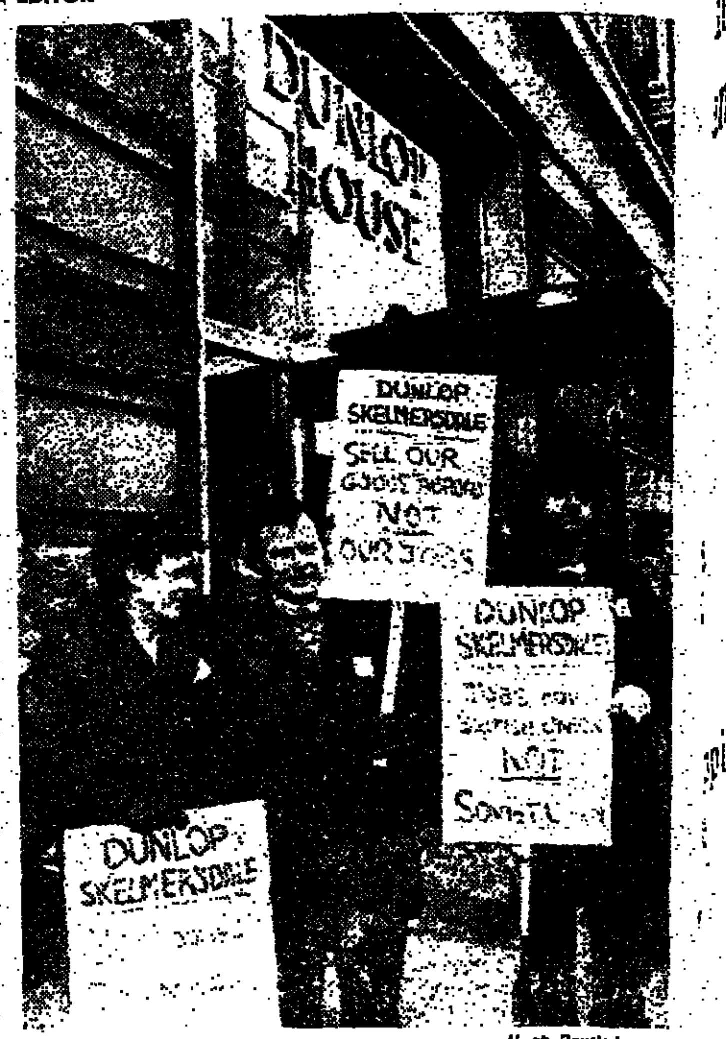
BY CHRISTIAN TYLER, LABOUR EDITOR

NEARLY HALF the 43,000 workers at Dunlop's UK downed tools yesterday to support their trades unions' protest at the company's decision to close one of its tyre plants and seek redundancies at two others.

The company said the action had closed the tyre division and caused some disruptions in the industrial products group. All the engineering workers had turned up.

But in spite of pledged support from Continental unions, there had been no action in France, West Germany, Italy or any of the 22 other countries in which Dunlop has factories.

This was contested by Mr. John Miller, a national secretary of the Transport and General Workers' Union, who said there had been short stoppages in German *plants* on Tuesday, and other stoppages elsewhere while protests about the British contraction were registered with managements.



Hugh Routledge

First shot

The UK unions yesterday *handed* in letters to Dunlop's chairman, Sir Campbell Fraser, at the London head office. They warned that yesterday's one-day protest was only the first *shot in what would become* a longer campaign of strikes unless the company agreed to negotiate over its plans and to withdraw the 90-day closure notices served on 2,300 workers at Speke, Merseyside.

Mr. Miller said his office had been "*flooded with telegrams*" *of solidarity from Continental* unions promising sympathetic action if the UK unions had to step up their campaign.

A call for support from other Dunlop plants has gone out from the International Chemical and Energy Federation in Geneva.

A company spokesman said the chairman would meet the unions. There was talk yesterday of national talks on March 20.

The company issued the Speke closure notice on January 19; it is to take effect on April 19. At the same time the company said it wanted to reduce staff at Fort Dunlop, Birmingham, by 500 and at Inchinnan, Glasgow, by 250. Whether those redundancies would be voluntary was being discussed with the unions, as was the question of redundancy pay.

Meanwhile, the TGWU was briefing its sponsored MPs last night on Goodyear's decision to close its Clydebank tyre factory in Scotland with the possible loss of 700 jobs.

Booth again seeks Times peace formula

BY PHILIP BASSETT, LABOUR STAFF

LEADERS of unions at Times Newspapers were called in yesterday by Mr. Albert Booth, the Employment Secretary, for talks aimed at *finding an acceptable* formula to break the three-month deadlock which has halted publication of The Times, its supplements and the Sunday Times.

This further intervention by Mr. Booth follows his last attempt at re-starting negotiations between the company, and particularly the National Graphical Association (NGA) in December.

The talks then came close to achieving a breakthrough in a formula which would have enabled the company and the NGA to negotiate on the crucial issue of new technology. But the possibility collapsed in a disagreement over the issuing of dismissal notices.

Dispute

Management and union branch officials at the Sun met last night for talks on a dispute which led to the loss of virtually all the newspaper's print yesterday—more than 4m copies.

The dispute centres on the introduction of a new tax *system for Fleet Street casual* workers which is designed to stamp out what the Inland Revenue claims is widespread tax evasion by the use of false names.

Regular staff in the Sun's publishing room, members of the Society of Graphical and Allied Trades, have decided to staff the least important jobs in the area first, according to *the Sun. This has left the* crucial jobs, without which the papers cannot be got out, to be filled by casuals—but because of the new tax system, casuals have been failing to turn up.

The regular staff, the Sun said, were claiming an unspecified inconvenience bonus payment to change round jobs to fill the gaps.

Mr. Bert Hardy, managing director, said that the management had refused to meet the claim because the publishing room workers had no right to employment on a particular machine but were employed to work in the area and should work where instructed by management.

The unions claim widespread co-operation for the new tax system for casuals, which is based on the showing of union identification.

Management and NGA representatives at the Yorkshire Evening Press, where publication has been stopped because of a printers' dispute, will have *talks next week aimed* at finding a settlement.

Forty-eight printers, who have been on a go-slow for five months over an incentive scheme, were dismissed yesterday after working a week's notice.

Perkins men want £30 rise

SIX THOUSAND production workers at the Perkins plant in Peterborough, one of the biggest manufacturers of diesel engines, are seeking a pay increase of £30 a week.

Preliminary talks between shop stewards and the management opened yesterday and are expected to last for several weeks.

They are demanding an increase on basic rates, a reduction in the working week to 35 hours, more pay for holidays and overtime, and improved fringe benefits.

The bulk of the claim, worth £17 a week, is for parity with group workers at the Massey Ferguson plant in Coventry.

Pay parity has been an emotive issue at the plant for the past six years, and the claim has been put forward each year without success, in spite of industrial action which closed the plant down for a month in *1973*.

European unions back NUBE

By Our Labour Staff

EUROPEAN banking unions *have joined the National* Union of Bank Employees in taking a firm stand against the extension of bank opening hours and the reintroduction of Saturday opening.

The banking section of Euro-FIET, the European section of the International Federation of Commercial, Clerical and Technical Employees, representing 550,00 bank staff in 22 European countries, pledged to back any unions *fighting* changes in bank working hours.

New BL peace move today

NEW EFFORTS will be made today to settle the week-long *strike by 300 machinists* at BL Cars' Canley plant in Coventry as the company laid off another 500 workers, taking the total to 3,500.

The men walked out over the management's plans to transfer 32 machinists on a temporary basis from engine production to assembly work. The unions say that the work is unsuitable for machinists.

Unregistered youth may distort jobless figures

BY OUR LABOUR CORRESPONDENT

MANY YOUNG people fail to *register as unemployed* and never come in contact with the organisations which should help them find work, says a report published by Youthaid today.

Youthaid, a research and pressure group for young people, argues that because of this, the official unemployment statistics do not convey a true picture of the problem. Not registering is a particular problem among the young, racial minorities and women.

"It *would appear that those* groups who are most discriminated against in employment, be *it* on the grounds of race or sex or both, are also the groups which figure most significantly among the unregistered."

Although some evidence suggested that the careers service reached most young people, there was concern about the *service in some areas to the less* motivated and less well-qualified.

The report suggests that the stigma attached to being unem*ployed and claiming* benefit, complicated procedures.

Strike 'halts arms cash from Iran'

BY OUR LABOUR STAFF

STRIKE action by civil servants is halting arms payments to Britain by the new Iranian Government, the Society of Civil and Public Servants claimed yesterday.

The society and the Civil and Public Services Association are taking selective strike action over the implementation of the results of an independent pay comparability study.

Union estimates based on the study suggest that rises averaging 26-36 per cent are due.

The society said that the new Iranian Government had been pressing the British Government for details of its outstanding debts on already-supplied arms.

But information was stored on the Ministry of Defence *computer in Liverpool, which* has been closed down by the strike. "Therefore the Government is unable to tell Iran how much it owes Britain."

A spokesman for the Ministry of Defence said that there was no progress pay*ment for arms due from Iran* for another month, even assuming that the contracts were going to stand.

The union also said it would call further lightning customs strikes at various ports in the next few days. Customs officials at Newhaven took action on Tuesday.

Union leaders representing all 600,000 white-collar civil servants will meet Civil Service Department officials today for talks on staging a pay settlement, but unions are not expecting firm *decisions until further* talks with Ministers.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Italian polyurethane foam plant

PLANT and process sequences for the continuous production of polyether/polyol streams for manufacture of flexible polyurethane foams are offered by an Italian group.

Pressindustria has carried out a protracted study of the processes and the reactor kinetics involved, based on propylene oxide and ethylene oxide as major raw materials, and using glycerine or similar starters.

Capital cost of the Italian-designed and built plant are claimed to be some 30 per cent lower than existing batch plants and they are provided complete as high reaction rate installations.

Pressindustria Group, 35 Via Porta d'Arnolfo, Biassono, Milan, Italy.

Stripping wire

A MODIFIED cutting head assembly is said to provide more efficient stripping by the model CF hand-held wire stripper, marketed by Eraser International, 2/3, Hampton Court Parade, East Molesey, Surrey KT8 9HB (01-979 8141).

Electrically operated, it is designed for the stripping of insulation from enamelled wires used in the manufacture of coils, motors, transformers, etc.

The stripper automatically adjusts for wire size between 11 swg and 33 swg by the use of three stripping blades which are centrifugally operated by counter balanced weights. This automatic adjustment of the tool makes it ideal for applications where a number of different wire sizes are encountered on a single component.

Freezes and grinds

LOSS OF essential oils in spices and foodstuffs may result from heat generated during grinding, but these problems can be eliminated by cooling the product or the mill itself, and embrittling the material to enable more efficient grinding, says BOC, Hammersmith House, London W6 9DX (01-748 2020).

This company is involved in a joint operation with KEK, a division of BSS, said to be one of Europe's major makers of size reduction equipment, in what is thought to be Europe's most advanced freeze grinding demonstration facility. This has been established at Macclesfield, Cheshire.

The facility will be used to demonstrate freeze grinding of a wide range of substances, which can be reduced to a free flowing powder or reclaimed from waste. These include plastics, rubbers, pharmaceuticals and foodstuffs.

● COMPONENTS

Designed to take the strain

EUROPE'S first aerospace production item to be made from carbon fibre—an air brake assembly on the Franco-German Alpha jet aircraft—is moulded from Carboform high-performance prepreg material manufactured by Fothergill and Harvey at its Littleborough plant.

Carboform was selected by the Alpha design team following a 14-month evaluation of carbon fibre prepreg materials supplied by a number of European firms.

Tough tests were carried out to determine the effects of high temperatures and high humidity on the mechanical properties of laminates made from three materials. They demonstrated the qualities of the UK company's Code 69 resin system which led to the selection of Carboform.

The air brake mouldings are fitted each side of the fuselage just forward of the tailplane assembly and are about 1250mm (49in) long and 530mm (21in) wide.

When the aircraft is preparing to land a hydraulic actuator moves the hinged moulding into the airstream, thus reducing the airspeed. The high strength of the carbon fibre enables the moulding to withstand the enormous stresses that this operation places upon it. At the same time the very low weight of the moulding ensures that there is minimal penalty to lessen the Alpha jet's performance.

Production facilities for Carboform tape at Littleborough are among the most advanced in Europe and embody prepreg production skills that have been continuously developed from the early 1960s to the present day.

Quality control checks at critical stages of manufacture have led to approval by the Ministry of Defence (Defence Standard 05-24) and the CAA.

Over 400 Alpha jets are currently on order and the joint manufacturers Dassault-Breguet and Dornier are confident that the estimated potential market of 1,000 aircraft will be exceeded.

Fothergill and Harvey, Summit, Littleborough, Lancs OL15 9QP (0706 78831).

Air brakes just forward of the tailplane assembly on the Franco-German Alpha jet aircraft are based on carbon fibre.

Easier servovalve control

DEVISED BY Abex Denison of Victoria Gardens, Burgess Hill, Sussex RH15 9ND (04446 5121) are a number of plug-in printed circuit cards which, used in conjunction with the company's solenoid-operated servovalves or flow controller allow simplified selection by the customer of a number of specified functions.

Eliminating the need to custom-build the necessary electrical controls, the units can work with most available transducers.

Ideal applications are in pump control and in hydrostatic transmissions. In addition to proportional control, derivative or velocity feedback can also easily be incorporated to provide an efficient means of damping control without heat generation or valve over-sizing.

Systems can be arranged with one or two feedback elements for controlling flow, position, speed, pressure or temperature and there are in all some 14 basic cards.

Cell covers big weight spread

LOAD CELLS that combine low weight with a measurement span from 100 kg to 1,000 kg, Type 1697, are on offer by Strainstall, of Denmark Road, Cowes, Isle of Wight.

Incorporating eight high quality strain gauges in a fully-active bridge layout, each cell is connected by an integral four-core fully-screened cable, three metres long. The unit is sealed and can operate in ambient temperatures ranging from minus 10 degrees C to plus 70 degrees C. This ensures good overall performance in difficult situations.

Output is 1.5 mV/V of nominal full-rated output. Maximum load is 1.5 times that of the nominal full load. Supply voltage is a maximum of 20V, either ac or dc and bridge resistance is 700 ohms.

Strainstall on Cowes (098) 382 5111.

Better for bearings

ALTHOUGH SIMILAR to Nylon 66 in toughness and strength, a moulding powder called Nylatron NSB-90 has superior wear performance and ability to accept generally higher bearing loads, claims Polypenco, PO Box 56, Welwyn Garden City, Herts (07073-21221).

It outwears PTFE (polytetrafluorethylene) loaded acetals by over 2:1 and, states the company, its PV (bearing rating), unlubricated, of 15,000 compares with Nylon 66 at 2,700 and glass-filled PTFE at about 2,000.

Latch for solenoid valves

HYMATIC Industrial Controls of Orchard Street, Redditch, Worcs (0527 67841) is now able to offer a magnetic latch option on its range of Skinner solenoid operated valves up to an inch in diameter.

The latch can operate on a momentary pulse from an AC or DC supply or "even from a small hearing aid battery" and uses a dual magnet arrangement with cancelling fields.

Once open or closed no current is consumed by the solenoid valve so that it can be used in systems where sensors such as thermistors or thermocouples are employed, or where the fluid being controlled is temperature sensitive, as in the brewing industry.

● PACKAGING

Keeping the coil bright and shiny

NOVEL METHODS of reducing risk of water staining of aluminum coil during transit and storage have been developed and introduced in the U.S. by Kaiser Aluminum and Chemical Corporation.

Essential to the method is a new moisture-resistant, recyclable stretch-wrap film for packaging coils, returnable plastic pallets and a "happy face" label that signals exposure to moisture.

Aluminium is resistant to corrosion, but is liable to staining in the presence of moisture. Such stains are usually found aesthetically objectionable and may cause processing problems. The U.S. aluminium industry suffers freight damage claims worth several millions of dollars annually, water staining being a major contributor.

The stretch film employed in the new packaging has good resistance to puncture; if torn, the tightly wrapped film keeps moisture exposure to a minimum. End wrappers are of a chipboard/film laminate, treated with a chemical inhibitor to provide extra protection against staining.

The "moisture alert" label, attached to the film wrapping, features a tell-tale happy face, the left eye of which becomes distorted or runs, i.e., "cries," within an hour of exposure to potentially damaging condensations. The eye's "tears" are irreversible and remain visible even after the wrap and label have dried.

Exposure to moisture does not necessarily involve damage to the coil. However, rapid identification of possible damage at any stage of shipment or storage permits immediate action to be taken. Kaiser Aluminium is accompanying the introduction of the new packaging with printed information to customers incorporating suggestions for specific procedures to be followed when the possibility of damage is discovered. The company is also issuing an updated version of its publication for handling freight loss and damage claims designed to expedite accurate handling of claims where damage occurs and detailing the respective roles of its salesmen, carriers and customers.

Kaiser Aluminum, 25, Old Burlington Street, London, W1X 1LB. 01-437 9777.

● SERVICES

Pot of gold in databases

UNILEVER'S involvement in services and special products in the data capture area appears to be paying off extremely well since record results are expected from Unilever Computer Services in the near future and Tymshare UK, of which the company holds 33 per cent, has just disclosed a compound growth rate of about 85 per cent over the past three years.

Tymshare Inc., the major shareholder, is also progressing very rapidly and its turnover for 1978 is put at \$149.6m against \$101.2m with pre-tax profit up 23 per cent at \$19.4m.

The UK arm of the organisation is specialising in the provision of data base managements systems, two on IBM machines and one on DEC 10. They cover sales analysis and forecasting, product profitability and pricing sensitivity studies, cash management and budgeting, and multinational applications carried on Tymnet, which is the company's international communications network covering North America, Western Europe and Hong Kong, Singapore, Japan and Australia.

Tymshare UK works with associates in France and Benelux, Germany and Japan, organised in the same way as it has been, that is with participation from a major local group.

Further details of the services offered from Tymcom, Brettenham House, Lancaster Place, London, WC2 7EP. 01-240 2639.

● QUALITY CONTROL

Compact X-ray source

MADE BY Gilardoni, an important Italian manufacturer of X-ray and nuclear equipment, the MLG 300/6 high powered portable X-ray generator can now be supplied by Delladene of Stewkley Road, Soulbury, Leighton Buzzard, Beds (052527 455).

Generating a maximum potential of 300,000 volts the unit is capable of 100 mm penetration in steel and its wide 50 deg beam angle is useful in providing better than normal coverage for short field focal distance.

The control unit employed regulates the anode current irrespective of the potential employed so that it is possible to adjust penetrative power to suit the work in hand simply by adjusting the anode potential between 75 and 300 kV.

Low weight (57 kg) of the unit is achieved by the use of light alloy construction and the use of lighter than normal transformer lamination material.

Accurate positioning with respect to the work is facilitated by a telescopic centre finder. A set of diaphragms is provided to limit the beam angle together with a blanking disc to limit ray passage during tube run-up.

THE JOBS COLUMN, APPOINTMENTS

Latest indicators of management salaries

BY MICHAEL DIXON

TO THE RIGHT lie the latest indicators of managerial-type salaries as compiled from the Reward survey (1 Mill Street, Stone, Staffordshire ST15 8BA—telephone 078 583 4554).

The figures are based on 2,400 people, with rare exceptions aged 33-37, who registered as job-candidates during September-January with the State-sponsored Professional and Executive Recruitment agency. Brackets denote corresponding figures for September 1977 to January 1978, and the word "executives" in the table means "officers and managers."

The first six columns of figures cover all candidates in the particular category whether "professionally" certified or not. The last six refer only to those deemed to be qualified. If each *category's candidates* were ranked by salary, the lower quartile would be the pay of the person a quarter way up from the bottom: the median that of the one in the middle; and the upper quartile that of the person a quarter way down.

Before drawing comparisons, readers are recommended by Reward to make certain adjustments. Those working for international and big national concerns should add 12.5 per cent to the table's figures; those in regional companies with 200-1,000 employees should add 9.5 per cent; and others should add 4 per cent.

	All in sample						Professionally qualified only					
	Lower quartile	(1977-78)	Median	(1977-78)	Upper quartile	(1977-78)	Lower quartile	(1977-78)	Median	(1977-78)	Upper quartile	(1977-78)
Age group 33-37	£	£	£	£	£	£	£	£	£	£	£	£
General managers	6,000	(5,200)	8,000	(6,575)	10,000	(8,137)	7,000	(5,937)	8,475	(7,750)	10,000	(9,825)
Admin. managers	5,075	(3,950)	6,150	(4,800)	7,750	(5,600)	5,000	—	6,900	—	7,750	—
Company secretaries	5,500	(4,750)	7,500	(5,500)	8,200	(6,800)	*6,500	(4,872)	*7,500	(5,500)	*8,250	(6,487)
Accountants	4,750	(4,000)	5,925	(5,000)	7,825	(6,500)	5,425	(4,725)	6,500	(6,000)	8,350	(7,062)
Cost accountants	4,450	(4,025)	5,500	(5,000)	6,500	(5,850)	5,312	(4,400)	6,150	(5,425)	7,650	(6,075)
Management services and computer managers	6,400	(5,200)	6,875	(6,000)	8,000	(7,700)	—	(7,225)	—	(7,800)	—	(7,950)
Systems analysts	4,712	(4,500)	6,025	(5,000)	7,225	(6,000)	—	(5,000)	—	(5,600)	—	(6,500)
Computer programmers	3,237	(3,362)	4,275	(3,925)	5,750	(4,600)	—	—	—	—	—	—
O & M/work study officers	4,525	(4,000)	5,200	(4,450)	5,825	(5,225)	5,312	(4,050)	6,000	(4,500)	6,925	(5,600)
Personnel executives	4,500	(4,362)	5,400	(5,000)	6,312	(5,700)	*6,225	(5,150)	*7,450	(5,700)	*8,025	(7,125)
Training executives	4,500	(3,600)	5,200	(4,000)	5,712	(4,700)	4,500	—	5,100	—	5,725	—
P.R. executives	4,500	(3,350)	5,050	(4,500)	5,950	(5,187)	—	—	—	—	—	—
Marketing managers	5,800	(5,000)	7,000	(6,000)	8,400	(7,000)	6,500	(5,787)	8,275	(6,500)	9,675	(7,312)
Sales managers	5,000	(4,625)	6,000	(5,500)	7,500	(6,475)	5,962	—	6,925	—	7,600	—
Sales office managers	4,137	(3,312)	4,850	(4,000)	5,625	(4,500)	4,400	—	5,000	—	6,100	—
Sales representatives	3,750	(3,100)	4,500	(3,850)	5,700	(4,825)	3,937	—	5,000	—	5,875	—
Technical sales representatives	4,000	(3,600)	4,800	(4,200)	5,500	(5,000)	—	—	—	—	—	—
Retail management	4,500	(3,537)	5,000	(4,250)	5,750	(5,000)	—	—	—	—	—	—
Production managers—engineering	4,887	(4,412)	5,500	(5,000)	6,350	(5,537)	5,000	(5,112)	6,000	(5,450)	6,887	(5,887)
Production managers—non-engineering	4,900	(4,200)	5,500	(4,850)	6,500	(5,800)	5,150	(4,725)	6,000	(5,250)	7,000	(6,100)
Production engineers	4,537	(3,850)	5,100	(4,250)	5,787	(5,200)	4,812	(3,900)	5,425	(4,400)	6,500	(5,275)
Mechanical engineers	4,800	(4,225)	5,400	(4,500)	6,000	(5,200)	5,000	(4,400)	5,600	(4,800)	6,925	(5,200)
Electrical engineers	5,000	(4,437)	5,575	(4,775)	7,000	(5,750)	5,262	(4,500)	6,375	(4,925)	7,837	(5,837)
Quality control engineers	4,250	(4,000)	5,000	(4,500)	5,600	(5,000)	4,075	(4,437)	5,000	(5,175)	5,625	(6,100)
Draughtspersons	4,200	(3,500)	4,600	(4,025)	5,487	(4,300)	4,500	(3,600)	4,650	(4,150)	5,450	(4,500)
Civil engineers	4,850	(4,000)	5,500	(4,925)	6,400	(5,500)	5,537	(4,925)	6,100	(5,250)	7,000	(5,962)
Technicians in engineering	4,000	(3,687)	4,850	(4,250)	5,400	(4,950)	4,500	(3,975)	5,000	(4,500)	5,400	(4,912)
Quantity surveyors	5,000	(4,575)	5,925	(5,000)	6,375	(5,600)	5,450	(4,650)	5,875	(5,000)	6,325	(6,100)
Chemists	4,425	(3,950)	4,800	(4,500)	5,675	(5,000)	4,712	(4,175)	5,625	(5,000)	6,125	(6,000)
Metallurgists	4,500	(4,475)	5,200	(5,050)	5,600	(5,500)	—	(4,750)	—	(5,400)	—	(5,575)
Physicists	5,800	(5,000)	6,000	(5,000)	6,700	(5,700)	5,800	—	6,000	—	6,700	—
Distribution executives	4,362	(4,000)	5,000	(4,600)	6,037	(5,350)	4,850	—	6,050	—	7,250	—
Purchasing executives	4,275	(3,612)	5,000	(4,000)	5,900	(4,875)	4,562	(3,737)	5,500	(4,325)	6,475	(4,800)

*Age group 32-36

GULLIVER FOODS

Opportunities for Outstanding Executives

Gulliver Foods was formed in 1977 by James Gulliver and his business associates with the backing of two City merchant banks. The company's objective is to invest in and control the direction of quoted and private companies in several sectors of the food industry. The company is currently invested in:

Morgan Edwards Limited, a quoted food retailer and wholesaler in the Midlands and North West, based at Shrewsbury.

Louis C. Edwards & Sons (Manchester) Limited, a quoted meat processor and canned food manufacturer.

Several other acquisitions are currently under negotiation.

A small number of high calibre managers are now required for general management opportunities and for senior finance, marketing or production positions either in subsidiary companies or within the central management team in North London. They will be appointed Directors of one or more of the subsidiaries and will work closely with a small committed team of executives with outstanding track records in the food industry.

Candidates, preferably in their thirties, must have first class food industry experience in either distribution or manufacturing and will preferably have retail, brand marketing or accountancy backgrounds.

Salary up to £15,000 or more for exceptional candidates plus the opportunity to build capital by means of attractive share purchase arrangements. Car and usual benefits.

Please send brief details—in confidence—or write for application form to David Bennell ref. B.43581.

These appointments are open to men and women.

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Joint Research Centre - Ispra Establishment (Italy)
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with university degree or diploma.

He will, as **ASSISTANT TO THE HEAD OF THE SECURITY AND FIRE PREVENTION SERVICE**, support him in administrating and running the Service, and actively participate to the elaboration and application of the security and prevention rules to be observed in a large, partly nuclear, research centre.

Preference will be given to the candidate with the following qualifications:
□ proven experience in the described tasks, acquired preferably with national or international organizations □ technical and practical knowledge in the field of health protection and fire prevention □ knowledge of security regulations relevant to the post □ proven ability to work on own initiative and to deal with people □ thorough experience in staff administration.

A thorough knowledge of one Community language and a satisfactory knowledge of one other Community language, are also required.

Recruitment criteria, based on the staff regulations and salary scale applicable to temporary agents of the European Communities:

The contract is for a non fixed term of employment - Salary according to age, qualifications and experience. Other benefits include family and expatriation allowances.

Only nationals of the Community Member States may be considered for the above post.

Replies should be sent to the following address, together with a detailed curriculum vitae and copy of degree or diploma:

JOINT RESEARCH CENTRE, Administration and Personnel Division,
I-21020 ISPRA (VA), Italy
WITHIN TWO WEEKS OF PUBLICATION.

Managing Director

Our clients, a British public group with substantial metal processing and manufacturing activities, have formed from their present operations a new subsidiary with sales of £12m. and 400 employees.

The new company's strengths lie in specialised product lines, well established customer relations and modern equipment: the MD's task is to build on these and to focus sharply on areas for improvement – productivity, works organisation, wider markets.

Candidates, probably graduates or qualified professionals between 40 and 50, should be successful general managers or general works managers from the metals or engineering industries.

Salary around £15,000 with bonus potential; company car and other benefits. Location Yorkshire.

Please send career details – in confidence – to D. A. Ravenscroft ref. B.25471.

This appointment is open to men and women.

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Group Financial Accountant

London W1 – relocating to West of London

CHUBB & SON LIMITED, a major UK quoted company and a leading name in the security industry is the holding company for a number of subsidiaries in the business of manufacturing locks, safes, fire-resisting equipment, fire extinguishers, fire engineering and vehicles, security alarms, automated tellers and cash registers.

There currently exists a position for a Group Financial Accountant to be located in London W1, but relocating to the West of London within the next 18 months.

The scope of the job involves responsibility for preparation of the published accounts, monthly statements to the Main Board, consolidation of Group corporate plans, treasury activities including money market and foreign exchange dealings, as well as involvement in Group taxation matters. Success in this appointment will form an excellent basis for a line management position in one of the Group subsidiary companies.

The successful applicant, reporting to the Group Chief Accountant, and liasing with other senior executives will be an accountant over 25 and a self starter with about 2 years post qualification experience, part of which has preferably been gained in a large/medium size firm of accountants. Experience of consolidations desirable, but ability to prepare financial statements to tight dead-lines essential. A high standard of professional competence with a practical application of talent, and a willingness to see tasks through to a speedy conclusion are the top priorities.

A substantial and competitive salary is negotiable and is complemented by an attractive range of large company benefits with excellent working conditions including a separate office within the executive suite.

Replies to K. H. Macfarlane, Group Personnel Adviser, Chubb & Son Limited, 14-22 Tottenham Street, London W1P 0AA.

Chubb & Son Ltd
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CANADA

M.B.A.'s/ACCOUNTANTS $25/30,000

Operations and Controls Review

Our client, a fast growing Canadian multi-national leader in a high technology industry, has a turnover in the area of $1,500m. The company has an unprecedented growth record and plans to double sales in the next 4/5 years.

The Operations and Controls Group is multi-disciplined and conducts projects covering finance, manufacturing, personnel, systems and marketing. The approach is to probe for "Soft Spots", analysing systems, questioning objectives, identifying and recommending operational improvements to enhance profitability and strengthen controls.

Candidates, aged mid/late 20's will be qualified accountants/M.B.A.'s who have analysis or systems development experience in a sophisticated manufacturing environment. They must have a quantitative, analytical orientation towards business problems, be able to communicate at all levels and show the potential for advancement to a managerial role.

The company will meet normal relocation expenses.

For more detailed information and a personal history form, contact Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2418.

Commercial/Industrial Division
Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
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DLA

Financial Controller

This privately-owned London company designs, makes and sells fashionwear. They supply all the better multiples and department stores and in their first year have achieved £2m. plus sales with tidy profits – a solid base for growth.

Their standards are demanding: control has been and will remain a keyword. Now they need a professional who can tighten accounting routines but also inject planning and direction for the future. A practitioner as well as a strategist who will work closely with the Chairman and enjoy early Board prospects.

Qualified accountants around age 40, candidates must be successful senior financial managers in manufacturing companies, accustomed to tight cost disciplines and ready for a top financial role.

Salary at least £10,000 plus car, etc.

Please send career details – in confidence – to D. A. Ravenscroft ref. B.25481.

This appointment is open to men and women.

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FINANCIAL ASSISTANT

CITY

Advertiser is a Principal providing financial facilities mainly to British companies engaged in almost every sector of industry and commerce.

An assistant aged 25/30 is required who could come from Banking, the Stock Exchange, Law, Accountancy or Insurance. A professional qualification, or appropriate degree, plus a positive interest in current economics and financial markets are all essential.

The position will involve close liaison with the Managing Director and Senior Executives. Competence with correspondence and communication is vital. Salary range £7/8,000. Attractive benefits including Car, Mortgage, BUPA and Pension will be available upon completion of probationary period.

A brief resumé of career and other relevant information should be sent to:

Box A6686, Financial Times
10 Cannon Street, EC4P 4BY

U.K. Multi-National Group

YOUNG ACCOUNTANT

Location Flexible £7/8,000 + Car

Our client is a widely based British Group with substantial world-wide interests including refining, manufacturing, marketing, retailing, wholesaling, shipping and North Sea Oil.

The Group is establishing a high level financial review function to carry out assignments throughout the U.K. with occasional overseas visits. The department will provide senior management with objective and wide ranging reviews of group systems, methods and procedures. Considerable emphasis is placed on making substantive recommendations.

Candidates, male or female, will be graduates and either A.C.A., A.C.C.A., or A.C.M.A. with up to two years' post qualifying experience and exposure to sophisticated systems. They should have the ability to communicate effectively with staff and management at all levels. There will be a 50/75% travel content. Prospects for advancement in the organisation are excellent.

For further information and a personal history form, please contact Nigel V. Smith, A.C.A. or Ian Tomisson in London or Barbara Lord M.Sc.A.I.P.M. in Scotland, quoting reference 2411.

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Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel. 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
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INSTITUTIONAL EQUITY SALES

Kemp-Gee & Co. are seeking another experienced young executive to work in one of their established equity teams servicing UK institutions.

Applicants must have had a minimum of three years' experience either as a broker handling institutional accounts or as a fund manager.

We are a research orientated firm, and the ability both to understand and to sell the research department's work to senior fund managers is essential. Remuneration for this important appointment will be fully competitive.

Please reply in confidence to:
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Regional Production Director

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ARC is a member of the Gold Fields Group and its principal business is the supply of materials and services to the construction industry in this country and overseas, mainly in the U S A. Group turnover is currently running at approximately £300 million per annum.

This vacancy is for a specialist director who will report to the Chief Executive of ARC's South Eastern Region, have a seat on the Regional board and be responsible for regional engineering, transport and technical services plus the planning and co-ordination of production and processing of dry aggregate and bituminous materials in the London area, Kent, Sussex and Surrey. The handling of imported stone through rail-connected depots is an important part of the region's business.

The man or woman appointed should have at least 5 years' management experience of production of the materials concerned, plus some experience of functional supervision or consultancy at senior levels. A professional engineering qualification would be an additional advantage.

Please apply with full curriculum vitae to:–

M. E. Dalmahoy, Management Development Administrator,
Amey Roadstone Corporation Ltd.,
15 Stanhope Gate, London W1Y 6AB.

ARC **Amey Roadstone**

GROUP CHIEF ACCOUNTANT FRANKFURT

Up to 80,000 DM Negotiable

Our client, a substantial, expanding international property company, wishes to appoint a Group Chief Accountant, who will report to the Financial Director.

The person appointed will be responsible for:

* the preparation of accounts, including consolidated accounts for all companies
* the critical appraisal of all financial information prepared in various offices
* the preparation of quarterly and five year cash forecasts
* the preparation of budgets
* the monitoring of tax positions of all companies in conjunction with the company's professional advisers
* the achievement of maximum utilisation of funds

Candidates must be Chartered Accountants or hold equivalent qualifications, with five years post qualification experience in one of the larger firms of international accountants or with five years commercial or industrial experience with an international company. Candidates must be competent in written and spoken German. Age is not a criteria for selection.

Salary is up to 80,000 DM negotiable and there is a car. Assistance will be given with relocation expenses, if necessary. There are other attractive fringe benefits.

Please send a comprehensive career résumé, including salary history, quoting ref. 966, to:

W. L. Tait.
Touche Ross & Co., Management Consultants,
4 London Wall Buildings, London, EC2M 5UJ
Tel: 01-588 6644

Senior Accountancy Opportunities

UK and Overseas

Booker Agriculture International either manages or provides technical, consultancy and advisory services for sugar and general agricultural projects in more than 30 countries throughout the world.

As a result of substantial business expansion there are three new unusual and exciting opportunities for senior qualified accountants. Candidates ideally will have had experience of international business operations gained working overseas.

Total remuneration and terms of service are very attractive. The two overseas positions also carry clothing, disturbance and education allowances, family passages, paid home leave, medical scheme and free accommodation. Career prospects in Booker Agriculture International are excellent.

Financial Controller–Guatemala City

The successful applicant will take charge of controlling, developing and reporting on all financial aspects of the operation of a coffee estate in Guatemala and a cigar production company in Honduras.
Previous professional working experience in Latin America together with fluency in Spanish would obviously be helpful.

Senior Accountant–Sugar Operations–London based

Responsibilities are for the monitoring of development plans, budgets, cash forecasts and borrowings of a number of major sugar projects throughout the Third World. There will be regular travel to overseas estates.
Previous professional involvement in tropical agriculture, preferably in Africa, although not essential would clearly be an advantage.

Training Accountant–Southern Somalia

Based on a major new £80 million sugar estate and factory development, and reporting directly to the Chief Accountant, the successful applicant will join a team of qualified expatriate accountants and have full responsibility for all accountancy training, both on and off the job.

Previous professional overseas experience, especially that of training local staff, is highly desirable.

BOOKER AGRICULTURE INTERNATIONAL

Please send brief details of qualifications and experience to:
W. J. Romanowski, Manager – Central Personnel Services,
Booker Agriculture International Ltd., Bloomsbury House,
74/77 Great Russell Street, London WC1B 3DF.

Manager Computer Systems Development

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Operating from a London main base, the Manager, Systems Development will report to the department head and be responsible for a very large group of systems and programming staff.

The *successful candidate*, of either sex, will be of graduate or professional status with substantial commercial or industrial experience. In-depth programming, systems design and analysis experience utilising the most modern computing techniques with a proven implementation track record are essential characteristics of the person profile; but *management experience of the very highest* calibre is vital.

Please send your curriculum vitae in strict confidence to T.D.A. Lunan at the address below or telephone 01-437 2515 (24 hour live answering service) for a personal history form quoting reference number 296.

Lunan
Management Selection Division

T.D.A. Lunan & Associates Ltd.,
1, Old Burlington Street,
London W1X 1LA.

Jacquard Systems

Financial Controller

(UK & EUROPE)
c. £12,000 + CAR + BONUS

A M Jacquard Systems is a rapidly growing organisation supplying mini-computer based automated office systems to the business world. *The equipment which is manufactured in* Los Angeles operates data processing, word processing and communications simultaneously with equal facility. The company is responsible for the marketing and support of its product range sold both directly and through distributors throughout Europe, Middle East, Africa and India.
To implement their growth, they now require a Financial Controller to be responsible to the Managing Director for the *set-up of accounting and administrative procedures* throughout the U.K. and Europe. Capability in financial planning, monitoring and control is essential, and candidates should have 2/3 years' experience in industry, following a post-qualification consolidation period. The ideal age range is 28-35 and full professional qualifications are essential.
Direct knowledge of mini-computer manufacture or sales would be ideal, and knowledge of another European language (preferably French or German) would be an advantage. The *position is based in High Wycombe* and there will be an element of travel involved.
Salary and conditions are excellent, as are career prospects in this dynamically expanding company.
In the first instance please send your c.v. to, or request an application form from, Ron Burgess quoting reference RB/FT/238.

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Managing Director

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BMG

We are looking for a very able person to be the Managing Director of BMG Pierce-All Limited, a company with a strong profit record and a leading manufacturer of punching machines for the sheet metal industry. Candidates should be in their 30s or early 40s and have had direct experience of the manufacture, assembly and development of CNC controlled machine tools. They must demonstrate success in a profit sensitive general management role. The successful candidate will have the ability to develop the company and its products substantially over the next ten years. The company is part of the BMG Group in which the holding company co-ordinates key marketing and financial objectives and the Managing Director of the machine tool company will report directly to the Group's Chairman. The salary is £18,000 plus a bonus to be determined annually after an introductory period. An appropriate car and good fringe benefits will be provided. Location: Berkshire.

PA Personnel Services
Ref: GM51/6796/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

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This is a European and international job involving travel and so fluency in a Continental foreign language is strongly desired. Alternatively the successful applicant could be a legally qualified Continental European with fluency in English.

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Candidates should possess a critical faculty, a strong personality and probably be in the *mid 20's.* They should have had exposure to advanced accounting and reporting systems, and could be in either practice or industry. Opportunities for advancement within the group are excellent.

For further information and an application form contact **Nigel V. Smith, A.C.A. or Peter Dawson quoting reference 2417.**

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Financial Controller

Boddingtons' Breweries Limited at Manchester

This public company has achieved an *outstanding growth record in sales and* profits and is currently undertaking a sizeable capital development programme to provide further production capacities. It now needs a Financial Controller who will report to the Chairman and manage the central accounts department. He or she, will be particularly concerned in the *development of new management* accounting and financial control data for the Board.

Starting salary will be negotiated at not less than £8,000 p.a., with company car, pension scheme and other benefits.

Candidates, ideally not less than 30, must be Chartered Accountants who already have *accounting management experience* in a manufacturing company, preferably concerned with fast moving consumer goods. They must be familiar with EDP, conversant with modern costing and financial control disciplines and prepared to undertake certain basic development tasks at the outset. Given success, the *selected applicant* can expect a progressively rewarding career.

Please write in confidence with relevant career details and home telephone number to H. C. Holmes, at Bull, Holmes (Management) Limited, 45 Albemarle Street, London W1X 3FE.

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Anthony Law, Director, Apollo Magazine Ltd.,
22 Davies Street, London W1Y 1LH.
Telephone 01-629 3061

ASSISTANT EDITOR

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QS

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Graduate Corporate Lending Officer	c. £9,500
Systems Analyst	£8,500
ACA's (2)	c. £7,500
Graduate Credit Manager	c. £7,500
MBA's (4)	to £7,000
Eurobond Settlements	c. £4,500

Please call MIKE POPE or SHEILA ANKETELL-JONES
236 0731
30, Queen Street, EC4

هكذا من الأصل

هكذا من الأصل

Financial Director Designate

West Yorkshire, c. £11,000 + car

Situated in a pleasant rural setting, the company, part of a major diversified public group, is currently undergoing a significant investment programme. Reporting to the Managing Director, responsibilities will be for the total accounting function of three companies operating from within one centralised unit. As a member of the Management Team, the appointee will make a significant contribution to the company by advising the Board on all commercial aspects affecting both operating efficiency and profitability. The position requires a qualified accountant, ideally aged 30 - 45, with experience in controlling the total accounting routines of a business, preferably within a process industry. Involvement in computer applications would be a distinct advantage. Benefits including relocation assistance will be commensurate with this senior appointment.

G. Sable, Ref: 29212/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

ASSISTANT FINANCIAL ADVISER — Financial Planning

£10,770 p.a. – £13,270 p.a.

The Electricity Council is the central co-ordinating body of the electricity supply industry in England and Wales.

You will be responsible to the Financial Adviser for a wide range of financial planning work including matters relating to capital investment programmes and investment appraisal, inflation accounting, financial estimates and related data for tariff and other purposes including the development and use of financial models, financial objectives, financial aspects of corporate planning and the co-ordination of financial returns to Government departments and other bodies.

This interesting and demanding post, calls for a well-qualified accountant, preferably with an economics background. An analytical approach to problem solving and the ability to write effectively are required.

Applicants should be capable of creative thought and willing to keep abreast of new developments in their field of work.

Some assistance with relocation expenses given in appropriate cases.

Please write in confidence, giving age, career to date and present salary quoting ref FT/38 to :–

Duncan Ross,
Recruitment & Development Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

Morgan Grenfell
AUSTRALIA LIMITED.

Merchant Banking in Australia

Morgan Grenfell Australia Limited, a wholly owned subsidiary of Morgan Grenfell & Co. Limited, a leading London Merchant Bank, wish to appoint an Australian national as an executive to assist in certain aspects of their merchant banking activities in Australia.

The successful applicant will be professionally qualified as a Chartered Accountant and will have gained experience in a major firm with a substantial corporate practice. As an indication, applicants should be in the age group 25-30.

Please apply in writing enclosing a curriculum vitae to:
The Managing Director,
Morgan Grenfell Australia Limited,
c/o Morgan Grenfell & Co. Limited,
23 Great Winchester Street,
London EC2P 2AX

Selected applicants will be invited to an interview by the Managing Director in London during the week commencing 2nd April 1979.

Morgan Grenfell Australia Limited
173 MacQuarie Street, Sydney, N.S.W. 2000.

APPOINTMENTS ADVERTISING
£16.00 PER SINGLE COLUMN CENTIMETRE

Financial Controller

London W.1. — to £15,000

A major firm of surveyors seeks a Controller, to be responsible for all financial matters, with *particular involvement in developing the management information systems* from branches and introducing basic EDP support, also acting as adviser to partners and clients. Start salary is negotiable in the range £12,500 to £15,000, plus car and bonus.

Candidates should ideally be qualified accountants aged say 35-45 with prior experience as the head of a finance function in an autonomous company (or profit centre). A period in such a partnership or a service-based commercial organisation *would* be ideal. Current tax knowledge is desirable.

For a fuller job description write to John Courtis & Partners, Selection Consultants, 78 Wigmore Street, London, W1H 9DQ., demonstrating briefly but explicitly your relevance and quoting reference 7033/FT. This is an equal opportunity appointment.

JC&P

Opportunities for Qualified Accountants with management ambitions.

Around £8000 — Excellent Benefits
City of London + London, Redbridge + Jersey, C.I.

Save & Prosper currently has opportunities for intelligent and ambitious qualified accountants. We have a proven record of developing accountants into senior general management positions in a stimulating environment. Typically, a qualified accountant starts with us in a technically challenging job in one of our line accounting departments, and moves within the organisation every two years or so, to broaden his experience. Candidates will therefore probably have qualified within the last two years and be working for a large practising firm.

Save & Prosper is a leading group marketing and administering a wide range of investment and savings products to individuals and businesses. We manage funds totalling in excess of £900 million, and employ 850 people, in a profitable environment.

We now have three specific opportunities which have arisen through promotion and continuing expansion.

A qualified accountant to join the present team involved in the negotiation and implementation of financial arrangements in connection with family companies of substantial value. He will be dealing with professional advisers and their clients at the highest level. Some taxation experience would be an advantage.
LOCATION = City, with some UK travelling.

A qualified accountant to assume responsibility for the team which prepares management, statutory and investor information in relation to the Group's General Annuity and Pensions business, which is an interesting, important and expanding part of our operation.
LOCATION = Redbridge, adjoining the underground.

A qualified accountant to assume responsibility for the records of the Group's investment funds administered in Jersey. This position arises from the significant and continuing expansion of business on the island. It involves managing a department which produces daily and weekly valuations and prices, and periodic reports to investors.
LOCATION = St. Helier, Jersey.

Candidates, male or female, should, in the first instance write to Gwyn Davies, Group Personnel Manager, 4 Great St. Helens, London, EC3P 3EP, sending brief details of their career to date, or telephone him on 554-8899.

SAVE & PROSPER GROUP

Senior Securities Officer (Unit Trust)

Hong Kong — Up to £12,760 p.a.

- 25% gratuity on salary
- Free medical treatment
- Free passages
- Low tax area
- Generous terminal leave
- Subsidised accommodation
- Education allowances
- Holiday visits for children

Applications are invited for appointment as Senior Securities Officer (Unit Trust) in the Government Secretariat, Hong Kong. The successful candidate will be responsible for the application and enforcement of the Hong Kong Code on Unit Trust and Mutual Funds, and processing applications for authorisation of unit trusts and mutual funds.

Applicants should preferably be over 32 years of age and must have (a) an honours degree preferably in Economics, Commerce, Business Administration or Law from a British University, or equivalent, plus at least 8 years' post-qualification experience in a bank or a similar financial institution, including at least 5 years' senior executive or managerial experience in the unit trust or mutual fund field; OR (b) Corporate membership of (1) Institute of Chartered Accountants in England and Wales or Scotland or Ireland, (2) Institute of Municipal Treasurers and Accountants, or (3) Association of Certified Accountants, plus at least 5 years' post-qualification experience in a bank or a similar financial institution, including some senior executive or managerial experience in the unit trust or mutual fund field. Candidates who do not have the full qualifications stipulated above but have considerable relevant experience may also be considered.

The appointment will be for an initial period of 2½ years. The salary scale is from HK$9,330 to HK$10,100 per month (approximately £11,790 to £12,760 p.a.*).

For further information and application form, write to the Hong Kong Government Office, 6 Grafton Street, London W1X 3LB, quoting reference GS/SSO(UT) at the top of your letter. Closing date for applications: 30th March 1979.

**Based on exchange rate HK$9.50 = £1.00. This rate is subject to fluctuation;*

Hong Kong Government

REGIONAL FINANCIAL CONTROLLER

FOR MULTI-NATIONAL BUSINESS SERVICES COMPANY

Excellent career opportunity for experienced accountant with systems and computer use/application knowledge.

We are a progressive U.S. multi-national company experiencing growth which has required us to establish this new position which could lead eventually to advanced positions in financial management in Europe or the United States.

We require an internationally minded individual with at least 4 years' line accounting experience in a supervisory or management post, either in the U.S.A. or with a U.S. multi-national firm. Ideally, this experience should also include exposure to computer operations and management information systems. Good sound knowledge of U.S. accounting principles is a must. The position is based in Paris and reports to the Vice-President for France, Switzerland, Italy, Spain and Portugal. 30-50% travel time is anticipated. Languages required are English and French, and German would also be desirable.

Compensation will be in accordance with qualifications and will include excellent benefits and relocation allowances.

Enquire with c.v. and salary history, with current requirements, to:

Box A.6687, Financial Times,
10 Cannon Street, EC4P 4BY.

Managing Director

Hertfordshire — c. £11,000 plus car

Our Client requires a Managing Director (designate) for one of its subsidiary companies. The subsidiary employs about fifty and is engaged in the manufacture of tools and dies for the rubber and plastics industries.

The successful applicant will be appointed to the Board on joining and is required to succeed to the top position in the subsidiary at an early date. He will enjoy a considerable degree of autonomy as the group has a policy of delegating responsibility to its subsidiary chief executives and their boards. As soon as an outstanding competence has been demonstrated additional opportunities within the organisation will be available to the successful candidate.

Applicants are likely to be between 40 and 50 years of age and must have a strong mechanical engineering background with experience in the rubber or plastics industry. A proven ability in general management, particularly in the motivation of subordinates is more important than formal qualifications.

A salary will be negotiated around £11,000 p.a. and a car will be provided. There are excellent pension arrangements with life assurance cover and a medical insurance scheme. Realistic relocation expenses will be paid in appropriate cases.

Please write stating age, current salary and how you meet our Client's requirements, quoting reference number MD/3999/FT on both envelope and letter. Men and women are invited to apply. No information will be disclosed to our Client without your permission.

Urwick, Orr & Partners Limited
Management and Selection Consultants
Baylis House, Stoke Poges Lane, Slough SL1 3PF

RECRUITMENT CONSULTANT BANKING

Age 20-40 — £ 5-figures

Banking Personnel, established in 1977, has proved highly successful in its role of providing all levels of staff to the Banking profession, and has become an asknowledged leader in this field. Our policy is one of personal and professional service to both Clients and Candidates, and in order to maintain our high standards of Consultancy work over a continually increasing sphere of operation, we seek to augment our close-knit and effective team of Consultants by the addition of a self-motivated and ambitious person. Whilst previous experience of Banking recruitment would be an obvious asset, we would like to hear from anyone with a background of either Banking/Finance, or Agency work, who would be interested in a long-term career with a Company which offers not only an outlet for self-expression but a secure future. As considerable Client contact is involved, the successful applicant must be articulate and well-presented, although the essential attributes are a genuine affinity towards people, and an interest in their future.

A high basic salary will be offered, together with a generous results-related earnings scheme giving every incentive for success. Additionally, the company provides long-term service agreements and an excellent pension scheme.

Please telephone, in strict confidence, Rod Jordon, A.I.B. (General Manager)

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

FINANCIAL DIRECTOR DESIGNATE

LONDON — c£11,000

For fast expanding unquoted public company operating in a diversity of computer oriented activities both in the UK and overseas.

The ideal candidate is a qualified, chartered accountant, early 30s with at least five years' experience in industry or commerce and well versed in management accounting techniques. The position reports directly to the chief executive of the group.

Salary circa £11,000 plus car and usual fringe benefits.

Replies, with curriculum vitae, to:

Maidment Posner Consultants,
78 Wimpole Street,
London, W1
Reference CS7

Judy Farquharson Limited

17 Stratton Street, London, W1X 5FD.
01-493 8824

Channel Islands

Unusual opportunity in firm of Investment Managers moving to Jersey. Ideal position for an investment or dealing assistant wanting to progress to managerial level. Age 22-27. Salary negotiable.

Business Analyst

for new business appraisal, strategic planning and analysis of existing business of well-known City-based company. Must be numerate graduate with relevant work experience. Age c. 25 years. Salary c. £5,500.

JFL RECRUITMENT CONSULTANTS

CHIEF ACCOUNTANT c£9,000

Exciting challenge offered by this prestigious shipping company for first-class qualified accountant with expertise and initiative to control all financial/management accounts. Excellent opportunities to progress even further within the main group.

Please contact: Betty Lees
KEYRIGHT PERSONNEL
30, Queen Street, EC4

THE CITY OF LIVERPOOL COLLEGE OF HIGHER EDUCATION

SENIOR ADMINISTRATIVE OFFICER

(Salary: £6,513-£7,230 including supplement)

to act as Secretary to the Governing Body and to be responsible to the Principal for the College administrative service.

1,100 undergraduates and postgraduates. Degree courses validated by University of Lancaster.

Applicants should possess graduate or graduate equivalent qualifications and administrative experience, preferably in higher education.

The College site of 70 acres is 8 miles from Liverpool City Centre. A family house may be available on site.

Closing date: 16th March, 1979.

For further details, and application form, please write to:
The Principal's Secretary
The City of Liverpool College of Higher Education,
Liverpool Road, Prescot, Merseyside L34 1NP.
Tel: 051-489 6201

THE POLYTECHNIC HUDDERSFIELD

Department of Computer Studies and Mathematics

PRINCIPAL LECTURER—COMPUTING/INFORMATION SYSTEMS Ref: ACA/307

The principal degree and diploma courses within the Department involve major studies of applications of computers in business, industry and public authorities.

The successful applicant should have appropriate academic and practical experience to promote and lead specialised studies relevant to these courses. A good Honours Degree and/or MBCS is essential.

Staff are expected to undertake activities including research, in addition to teaching studies.

Salary: £7,047-£7,818 (Bar)-£8,844

Further details and application forms, which should be returned by March 22, 1979, from the Personnel Office, The Polytechnic, Queensgate, Huddersfield, HD1 3DH. Telephone 0484 22288, Ext. 2225.

BUTLER TILL LIMITED

Sterling Money Brokers

Trainee Dealer

Age 20-22

We require a keen and personable individual to train as a Local Authority Broker. A knowledge of the workings of the money markets or parallel markets would be an advantage.

All applicants should write in confidence to the Managing Director giving full details of background and career to date.

The Managing Director, c/o Miss Jane Bacon,
Butler Till Ltd., Adelaide House, London Bridge,
London, EC4. 01-623 5222.

Degree + ACA? Under 26?

A career in Oil
London, to £8,000

One of the largest UK oil companies requires 2 chartered accountants to be groomed for a responsible management career. The initial appointments, at their head office in London, will involve project accounting and internal consultancy, providing technical and commercial support to their operations in the UK and overseas. Up to 20% travel can be expected and a foreign language would be useful. Excellent conditions of employment include a salary review within 6 months, non-contributory pension scheme, interest-free season ticket loans, and heavily subsidised luncheons.

Mrs. I.M. Brown, Ref: 19147/FT

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

INSTITUTIONAL ANALYST
to £10,000 + car

Graduate, 27-30, with a proven track-record in UK Equity research to manage small team covering capital goods sectors and the Far East, with well known Investment Mgm. Co.

FUND MANAGEMENT
£7,000-£9,000

We currently seek two graduates, 24-25, with 1-3 years investment research experience plus understanding of fund management—one to assist in the Mgm. of U.S. and European funds and one to train and take over responsibility for Far East funds with two reputable insurance co's.

INVESTMENT RESEARCH
£7,000-£12,000

At present a number of our reputable Stockbroking Clients seek experienced analysts 25-35 with proven track records to take over responsibility for or assist in the development of coverage of such sectors as OILS, STORES/FOOD RETAILING, BUILDING, FINANCIAL, ELECTRICALS.
If you are seeking advancement let us know, in absolute confidence, of your expectations.

Stephens Selection
35 Dover Street, London W1X 3RA.
01-493 0617
Recruitment Consultants

Management Consulting

The continued expansion of our international business has created opportunities for professionals in the field of

Financial Management

Candidates must have had comprehensive experience of the controllership function at senior management level and demonstrable success in the design, installation and operating of budgeting systems in a large corporate environment, preferably in the oil industry.

Aged 33–45, candidates will have an above average degree with the appropriate professional or business administration qualification. They must be ready to accept important responsibilities sometimes in difficult working environments. Ability to speak French will be an advantage.

Attractive compensation is offered and the benefits are those associated with one of the world's largest management consultants. As such, career prospects are excellent.

Please send your personal details to Paul Bourne, Booz, Allen & Hamilton International, New Bond Street House, 1-5 New Bond Street, London W1Y 0DB.

Booz·Allen & Hamilton
Management Consultants

PURCHASING DIRECTOR

circa £12,000
plus car

A leader in the automation business is looking for a dynamic, innovative person to plan and organise a Purchasing Department of 40-50 people.

The ideal candidate will have spent 10 years in the purchasing function in the light engineering or electronics manufacturing industry.

The company offers an excellent benefit package and generous assistance with relocation expenses to central Scotland.

Please send your curriculum vitae including your current compensation package and names of referees, in confidence, to:

W. M. Young, M.A.
Management Consultant
44, De Parys Avenue
Bedford, Beds. MK40 2TP

who has been retained by this major multinational company to identify candidates to fill this senior position.

INTERNATIONAL AUDIT
ASSISTANT MANAGER

Hertz the No. 1 Car Rental Company are looking for an Assistant Audit Manager for their European operations. The position is based in West London but extensive European travel is involved.

In addition to the normal audit supervisory skills and the ability to write clear and concise reports, the job specifically requires a knowledge of auditing in an EDP environment.

The job will appeal to a qualified accountant already in a supervisory position in the profession who is looking for a move into commerce as the next step in his/her career progression. Preference will be given to applicants with a knowledge of one or more European languages. It is an excellent opportunity to gain first hand knowledge of American business techniques with a company renowned for quickly realising and rewarding individual potential.

Salary and benefits are in line with those offered by a major international company.

Please apply with detailed CV to:
Ms. W. Skinner,
Manager Recruitment and Benefits,
Hertz Europe Limited,
Isleworth House, Great West Road,
Isleworth, Middx. TW7 5JF
Tel: 01-568 4422.

Hertz ® THE No1 COMPANY

A WELL-ESTABLISHED, GROWING ORGANISATION SEEKS A

MANAGING DIRECTOR

who will report directly to the Group President and have responsibility for all operating decisions and growth.

As the successful candidate, you are self-reliant, highly communicative, possessing the courage of your convictions and an easy, persuasive manner. Your résumé clearly details an impressive record of your achievements.

As the prime decision maker in the U.K. and this Continent, you will assume immediate control of a successful operation and will lead it to greater growth through your strengths in profit and problem analysis, marketing expertise, management development, and business expansion.

If you have had substantial senior management experience within a profit-minded organisation, are strongly marketing orientated, have broad multi-industry experience, including a service industry, and respond enthusiastically to autonomy and challenge, forward your résumé in confidence to us as soon as possible to:
Box A.6690, Financial Times, 10, Cannon Street, EC4P 4BY.

Salary will be negotiated on previous experience and your specific performance record. Future promotions to levels of international responsibility will be based on your results.

A major International Bank expanding its overseas operations invites applications for the following two positions:

Chief Dealer—Singapore
Senior Dealer—Bahrain

The successful applicants are likely to be aged between 28/33 and in addition to a wide experience in FX and Euro Currency trading have the personal qualities that these posts, which carry considerable responsibility, demand.

The salary and benefits are those normally associated with a large international organisation. Interested applicants should write to

Streets Advertising Limited,
11 New Fetter Lane, London, EC4,

giving full details of personal background and professional experience and indicating the names of any companies to which you do not wish your application to be forwarded.

BANKING OPPORTUNITY IN MIDDLE EAST

JEDDAH **AGED 25-40**

Banking Executive aged 25-40 with all round international experience required for Business Development in Saudi Arabia and other Middle East countries.

Candidates should have had experience of all aspects of international banking transactions, including loan negotiations and documentation, and possess the ability to communicate successfully at all levels on a wide range of business and financial matters.

The appointment, which is based in Jeddah, offers an attractive opportunity for a resourceful banker to become part of a Saudi organisation with outstanding growth potential. This organisation works in close collaboration with an international bank in which it is a shareholder. Salary, allowances and other benefits will be negotiable; free accommodation will be provided.

All applications will be treated in strictest confidence and should be addressed to Box A.6689, Financial Times, 10, Cannon Street, EC4P 4BY.

DEALER

required to manage a well based and expanding Money Book for London Stockbrokers. Experience essential. Salary negotiable.

replies M. S. EVANS,
Laing and Cruickshank
Stock Exchange
London EC2

ARE YOU LOOKING FOR

A new position in London or Southern England ?

SEE PROFESSIONAL STAFF

who have many openings in commerce, industry and the professions for qualified part-qualified and experienced accountants.

Telephone NOW 0273 202377
24-hour answering service.

RESEARCH ASSISTANT

Graduate required offering fluent French and German for demanding role in international news unit. The successful applicant will have a lively interest in the international economic and political scene. Duties will include assisting with news monitoring; producing accurate precis translations *from French and German; carrying out research projects as* required; and some administrative work to ensure the smooth running of the services.
Hours — Monday to Friday 10 a.m. to 6 p.m. Salary c.£4,600.
Please apply to Personnel Department. The Financial Times Limited Bracken House, 10 Cannon Street, EC4P 4BY

CLIENT LEDGERS CLERKS

Owing to expansion a leading company of stockbrokers require experienced client ledger clerks, aged 23+. Salary to £4,000 p.a. plus guaranteed bonus. Excellent working conditions. *Please contact:*
Mrs. C. Dudley or Miss G. Goode
01-628 0965
EVANS EMPLOYMENT AGENCY
15 Copthall Avenue, London EC2

THE LONDON OFFICE of a leading INTERNATIONAL TRADING HOUSE

is seeking a young aggressive person, fluent in German, as direct assistant to the Manager of the Non-Ferrous Physical Trading Department.

Previous knowledge of Non-Ferrous trading and Foreign Exchange markets would be an advantage.

Salary negotiable, depending on age and experience, plus usual fringe benefits. Our own staff have been advised of this advertisement.

Please reply, in confidence, enclosing C.V., etc., to Box A.6686, Financial Times, 10, Cannon Street, EC4P 4BY.

£6,000 **accountancy appointments** **£9,000**

These appointments appeared in the Financial Times on 6th March. For full details see the F.T. of that date or alternatively telephone 01-248 8000 ext. 526.

JOB TITLE	SALARY	LOCATION	CLIENT
Potential Comptroller	c£9,000	S.W. London	Phillips & Carpenter
Chartered Accountant	£7,500	C. London	Robert Half
Corporate Auditor	£7,500 + Car	C. London	Robert Half
Financial Accountant	£7,500	C. London	Robert Half
Management Accountant	—	Reigate	Redland Bricks
Management Accountant	c£8,000 + Car	Liverpool	Liverpool Daily Post & Echo
Qualified Accountant	c£8,000 + Car	West End	MCS/Robertson Scott
Assistant Financial Controller	c£11,000 tax free	Saudi Arabia	WMSP Tech. Services Ltd.
Group Financial Controller	c£7,000	Chatham, Kent	Ward Holdings Ltd.
Young Accountant	c£7,500	S.W.1	Personnel Resources
Financial Controller	—	City	Trollope & Colls Hldgs.
Young Qualified Accountant	c£7,500	Knightsbridge	Albright & Wilson Ltd.
Management Accountant	c£7,000	Essex	Mervyn Hughes Group
Group Accountant	c£7,000	N.1	
Financial Accountant	c£6,000	City	Personnel Resources
Chartered Accountant	—	Scotland	Turner, Hutton & Lawson
Newly Qualified C/A	—	Baker Street	FT Box No. A6663
Accountant	Neg. to £8,500	London	Personnel Resources
Company Accountant	c£7,000	—	Churchill Personnel Cons
Travelling Auditor	c£8,000	UK/Europe	Churchill Personnel Cons
Chartered Accountant	—	E.C.2	Pannell Fitzpatrick & Co.

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callaby

SAUDI ARABIA
to £12,500 (net)

SENIOR AUDITORS

Rapidly expanding trading group situated in the Gulf requires auditors who should ideally be qualified accountants. A knowledge of Arabic would be useful though this is not a pre-requisite. This is a married *status position offering excellent career prospects.*

GEORGE CALLABY ASSOCIATES
INTERNATIONAL SELECTION CONSULTANTS
'Gorselands' Shores Road Woking Surrey
☎ (04862) 71078 & 60918
London message desk 01-404 5011
Telex: 262284 monoref: 2393

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. Loan Exhibition of Photographs by ROGER FENTON (1819-1869) in aid of the Royal Photographic Society's Appeal. Until 30 March. Mon.-Fri. 9.30-5.30; Thurs. until 7. Adm. 50p. Catalogues £1.

BROWSE & DARBY, 19, Cork St., W.1. FINE BRITISH & FRENCH PAINTINGS, 19th & 20th Century.

BLOND FINE ART, 33, Sackville St., W.1. 01-437 1230. ELLIOTT SEABROOKE. 1886-1950. Oil paintings and works on paper, also late Japanese prints. Until 10 March.

CRANE KALMAN GALLERY, 178, Brompton Rd., S.W.3. 01-584 7566. L. S. LOWRY (1887-1976) and ALAN LOWNDES (1921-1978): A Comparison. Until 31 March. Mon.-Fri. 10-6, Sats. 10-4.

FIELDBORNE GALLERIES, 63, Queens Grove, N.W.8. 586 3600. EDWARD WOLFE, R.A. — SIXTY YEARS OF *PAINTING*. Mon.-Fri. 10-6. Sat. 12.30 to 3

FISCHER FINE ART, 30, King St., St. James's, SW1. 01-839 3942. Recent work by two Canadian Realists: D. P. BROWN and JEREMY SMITH. Until 9 March. Mon.-Fri. 10-5.30, Sats. 10-12.30.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-729 5116. BRITISH ARTS 18th-20th Century.

GALERIE GEORGE, 96-98 George Street, W.1. 01-935 3322. Fine 19th and 20th Century British & European oil paintings, watercolours & graphics at keen trade prices £100-£2,000. Mon.-Fri. 10-6.

JEAN ARP and HENRI MATISSE— 1st March to 12th April. Daily 10-5.30. Sat. 10-1. Theo Waddington, 25, Cork Street, London, W.7. Tel.: 734 3534.

LUMLEY CAZALET, 24, Davies St., W.1. 01-499 5058. 20th CENTURY ORIGINAL PRINTS — Bonnard, Braque, Delaunay, Matisse, etc.

LE FEVRE GALLERY. CONTEMPORARY PAINTINGS. Weekdays 10-5. Sats. 10-1. At 30, Bruton Street, London, W.1. Tel.: 01-493 1572.

COURSES

TELEPHONE SYSTEMS management and cost savings. A one-day intensive training course at Northampton, on 4th April, 1979. Full details available from Pendolan Limited, Park House, Kingsley Park Terrace, Northampton. Tel. (0604) 718408.

COMPANY NOTICES

Ford

BEARER DEPOSITARY RECEIPTS

Following the DIVIDEND DECLARATION by the Company on 11th January, 1979 NOTICE is now given that the following DISTRIBUTION will become payable to Authorised Depositaries *on or after* 12th March, 1979 against presentation to the Depositary (as below) of Claim Forms (obtainable from the Depositary) listing Bearer Depositary Receipts.

Gross Distribution per Unit		4.500 cents
Less 15% US Withholding Tax		0.675 cents
		3.825 Cents per Unit
Converted at $2.0325	=	£0.01881919

DEPOSITARY
National Westminster Bank Limited
Stock Office Services
5th Floor, Drapers Gardens
12 Throgmorton Avenue
London EC2P 2ES
5th March, 1979.

J. W. CAMERON & CO. LIMITED
4½%, 6¼%, 6¾% DEBENTURE STOCKS

NOTICE IS HEREBY GIVEN that the company's Debenture Stock Registers will be closed from the 17th March to the 30th March, 1979, both dates inclusive.
By Order of the Board.
D. STOTT, Secretary.
Greenbank Offices,
Lion Brewery,
Hartlepool,
Cleveland TS24 7QS.

ELDER SMITH GOLDSBROUGH MORT LIMITED

NOTICE IS HEREBY GIVEN that the Board of Directors has declared an Interim Dividend of 5 per cent being 5 cents per share on the Paid Up Capital of the Company. Payable on 7th May, 1979.

The Register of Members and Transfer Books will close at 5.00 p.m. on 30th March, 1979, for the purpose of determining entitlements to the Interim Dividend.
By Order of the Board.
C. E. PARKEN, Secretary.
Adelaide.
6th March, 1979.

UNILEVER N.V.

4% Redeemable Cumulative Preference sub-shares of Fl.12 issued by N.V. Nederlandsch Administratie- en Trustkantoor

The second half yearly dividend for 1978 of 2% (Fl.0.24) Serial No. 65 will be paid on and after 2 April 1979. To obtain this dividend certificates must be listed on listing forms obtainable from one of the following banks. The listing form includes an undertaking to mark the certificates which need not be lodged with the form.

Midland Bank Limited, New Issue and Securities Department, Mariner House, Pepys Street, London EC3N 4DA.
Northern Bank Limited, 2 Waring Street, Belfast BT1 2EE
Allied Irish Banks Limited, Securities Department, 3/4 Foster Place, Dublin 2.
Clydesdale Bank Limited, 30 St. Vincent Place, Glasgow.

Fuller details of the dividend may be obtained from the above named banks on and after 30 March 1979.

EXCHANGES of original shares for certificates of sub-shares and vice versa will be SUSPENDED from 16 March 1979 to 29 March 1979 both dates inclusive.

Certificates will only be accepted for exchange after 29 March provided that all dividends declared prior to that date have been claimed.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR.
London Transfer Office:
Unilever House,
Blackfriars, London EC4P 4BQ.
8 March 1979.

4% Redeemable Cumulative Preference Original Shares

The dividend will be paid against surrender of Coupon No. 65. Coupons should be sent to one of the Paying Agents in the Netherlands accompanied by an income tax form for relief from Dutch tax obtainable from Midland Bank Limited, New Issue and Securities Department, Mariner House, Pepys Street, London EC3N 4DA, from which full details of the dividend may be obtained.

TOKYO SANYO ELECTRIC COMPANY LTD. (CDRs)

The undersigned announces that as from March 22, 1979, at Kas-Associatie N.V., Spuistraat 172, Amsterdam, and Banque Générale du Luxembourg S.A., 14, rue Aldringen, Luxembourg, div.cp.no. 5 (accompanied by an "Affidavit") of the CDRs Tokyo Sanyo Electric Co., Ltd., will be payable with $1.26 net per CDR, repr. 100 shs. and with $12.60 net per CDR, repr. 1,000 shs. (div. per record-date 30.11.78: gross Yen 3.— p.sh.) after deduction of 15% Japanese tax = Yen 45.— = $0.22 per CDR, repr. 100 shs. and Yen 450 = $2.20 p. CDR repr. 1,000 shs.

Without an Affidavit 20% Jap. tax (= Yen 60 = $0.30 p. CDR, repr. 100 shs. and Yen 600 = $3.00 per CDR, repr. 1,000 shs.) will be deducted.

After 30.6.79 the div. will only be paid under deduction of 20% Jap. tax with $1.18 and $11.80 resp. net, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, March 1, 1979.

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE
$US50,000,000.00 FLOATING RATE NOTES DUE 1983

For the six months, February 28, 1979, to August 27, 1979, the notes will carry an interest rate of $12\frac{15}{16}$% per annum.

The interest due August 28, 1979, against Coupon No. 3 will be $US 65.05 and has been computed on the actual number of days elapsed (181) divided by 360.

The Principal Paying Agent,
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, Avenue Emile Reuter,
Luxembourg.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDR's) in MITSUI & CO. LTD., TOKYO

We are pleased to confirm that copies of the Semi-Annual Report for the six months ended September 30, 1978, of Mitsui & Co. Ltd. are now available to EDR holders upon application to the following sub-depositaries:
Citibank Branches in:
Amsterdam, Brussels, Paris, Frankfurt, Milan, Citibank (Luxembourg) S.A.
Kredietbank S.A. Luxembourgeoise—Luxembourg
Bank of Tokyo Branches in:
Brussels, Dusseldorf, London, Milan, Hong Kong, Paris.

CITIBANK, N.A.
London Depositary.
March 1979.

LEGAL NOTICES

No. 00693 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of YES MUSIC LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding-up of the above-named company by the High Court of Justice was, on the 27th day of February, 1979, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41 Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 2nd day of April, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39-41 Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 30th day of March, 1979.

IN THE MATTER OF NORTHUMBERLAND INSURANCE COMPANY LIMITED

By Order of the High Court dated the 17th day of January 1979,
GERHARD ADOLF WEISS
of Guildhall House,
81/87 Gresham Street,
London EC2V 7DS
has been appointed Liquidator of the above-named Company with a Committee of Inspection.
Dated this 5th day of March, 1979.

PUBLIC NOTICES

SOLIHULL METROPOLITAN BOROUGH
£3,000,000 Bills, due on 6.6.79, were offered on 7.3.79 and were allotted at a rate of 11⅛%. Applications totalled £36,900,000. These are the only Bills outstanding.

THE FIFE REGIONAL COUNCIL BILLS
£2,000,000 Bills, issued 7.3.79, maturing 6.6.79 at 11⅛%. Applications totalled £18,000,000 and there are £2,000,000 Bills outstanding.

DUDLEY CORPORATION BILLS
£2.1m Bills, issued 8.3.79, at 11⅛%, to mature 7.6.79. Total applications were £23.1m and the total outstanding £4.55m.

WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus . . . and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association. BLESMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

Donations and information:
Major The Earl of Ancaster, KCVO, TD., Midland Bank Limited, 60 West Smithfield London EC1A 9DX.

British Limbless Ex-Service Men's Association
"GIVE TO THOSE WHO GAVE—PLEASE"

هكذا من الأصل

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

How Observer plans to turn the screw

…XIOUS TO hold on to …ent revenue and circulation …s, The Observer has hired …ew advertising agency and …s to boost its ad budget … year above last year's …,000. Since the closure of …es Newspapers last Novem… 30, The Observer has raised … print run from 750,000-…000 to a current 1,100,000 … raised maximum pagination … 48 pages to 64 pages. But …is still printing at least …000 copies fewer than it …ld like—because of limited …t capacity—and is having to turn away thousands of pounds worth of advertising each week. Last night it was reluctant to discuss current revenue or profit projections.

It has switched its own advertising account from Ogilvy Benson and Mather to Davidson Pearce Berry and Spottiswoode.

Although Times Newspapers says it has more than £4m worth of advertising bookings awaiting the reappearance of its titles, top London media directors say they are now striking both The Times and Sunday Times off their schedules in lieu of any sign that Times Newspapers is about to renew publication.

● McCORMICK RICHARDS, the £13m-billing London agency, has sold out to Europe's Intermarco-Farner group, itself part of Publicis, the French public company that owns France's largest agency, Publicis-Conseil.

● COLLINS is spending £16,000 to £17,000 on LWT this weekend to promote Morris West's novel, Proteus. This will be the first time a publisher has used TV to launch an individual hardback novel. The agency, Alfred Bates, says further ads may be booked.

…dvertising: 17 different …ays to spend £2bn

…TISH INDUSTRY this year … spend at least £2bn adver…g its wares and services, …ch may lead you to suppose … the size of advertising bud… is formulated with the …test possible care. Unfor…tely, care is not enough. …ording to Harry Henry of the …keting communications …arch centre at the Cranfield …ool of Management, examina… of the variety of methods …l for budget setting, and the … divergence often found …een what an advertiser …ks he is doing and what he …oing in practice, indicates … the whole subject of deter…ing the ad budget is an area …nanagerial activity "replete … confusion."

…ver the past seven years, … Henry and his colleagues … identified no less than 17 …rent ways in which com…es determine the sums they …d on advertising, plus …erous sub-variants and …binations. There are also …ous economic theories about … advertising money *ought* …e spent, while over the …s, management scientists … market researchers have …nced models and method…es claimed to offer reliable …ance in this area—some of …h are indeed adopted or at … thought favourably of by …more sophisticated adver…s.

… not this range of modes … techniques depressing? … up to a point, for accord…o Prof. Henry, writing in …second of a series of Cran… broadsheets designed to summarise Cranfield's research work in this area, what emerges starkly is that there is no single formula appropriate to all products in all market conditions at all times.

"There is no way of avoiding the need to understand the market situation, and to determine on the basis of this the advertising requirement appropriate to the planned marketing policy. While this is easily enough said, there is some evidence that in many instances a conventional formula is not merely employed but positively clung to precisely to side-step the intellectual agony involved in putting the firm's whole advertising approach under scrutiny.

"In any case, whatever basic technique for the determination of an advertising budget is favoured—and this may range from the most pragmatic rule-of-thumb (or rule-of-liver) to the use of the most highly sophisticated marketing model—it is unlikely to do more than indicate a general order of magnitude for expenditure: different marketing circumstances, and different corporate constraints, will necessitate a considerable degree of fine tuning."

Which doesn't mean that some marketing departments don't employ some decidedly odd techniques for determining their ad budgets. The full Cranfield list includes the advertiser who blends hunch with experience (experience being what has been done before, not necessarily having regard to its outcome); the advertiser who merely maintains previous levels of expenditure (perhaps with a nod in the direction of media cost inflation); the one who sets his ad budget as a percentage of previous sales turnover, or of forecast sales turnover, or of gross margin; the advertiser who employs cost per capita; the one who simply matches his competitors' expenditure, on the assumption either that they know what they're doing or that there is some market "norm" that must be adhered to; or those who construct marketing models or place their faith in media weight tests.

Prof. Henry naturally warns against the army of economists, operational researchers and management scientists who blandly assume that one pound spent on advertising is just as good as another, stressing: "We in our researches have found remarkably few advertisers able to claim to have identified with any degree of precision the effects of creative content, though the mythology of advertising is rich in unsubstantiated self-congratulation."

And he supplies detailed discussion of two of the worthier methods of determining the budget: the fixed advertising-to-sales ratio, and the "task approach." The fixed A/S ratio is the most widely used in practice. It is simple to apply, though it is invariably difficult to determine what is the right ratio in the first place. Research indicates tremendous variations related both to the nature of the product category and the stage of the life cycle at which the product stands. The method discourages adventure and experiment and may well inhibit long-term planning.

The task approach, which normally requires some form of market modelling, calls for the postulation of all advertising objectives and a full costing of those objectives against their likely return.

Although it is not universally popular, Cranfield says that the task approach—involving as it does the discipline of having to assess the role and value of the various functions of advertising within the total marketing pattern — offers the most efficient means of determining ad budgets with the minimum of prodigality. MT-N.

Michael Thompson-Noel describes how Cadbury's confectionery division rediscovered the straight and narrow of market orthodoxy

Cadbury and the big brand sound

HAVING PRESIDED over one of the classic marketing errors of the post-war years, it is only fitting that the confectionery division at Cadbury Schweppes should once again be featuring handily among Britain's top dozen or so marketing managements. Last year, after some very hard running, Cadbury gained 1 per cent or so of chocolate market share, which sounds unassuming until you take on board the fact that confectionery is one of the biggest (£1.52bn), most difficult, most competitive, potentially most fickle markets in the land.

It is dominated by three giants — Cadbury, Rowntree Mackintosh and Mars — who circle each other warily and fight like mammoths for every decimalised point of every single percentage of every market sector in which they compete.

Last year the confectionery industry sold 695,000 tonnes, 4 per cent up on the previous year and only 12,000 tonnes short of 1974. Total value: £1.518bn, of which chocolate accounted for £966m, and sugar confectionery £552m. Confectionery is now the UK's biggest packaged food market. It is worth 1¼ times the retail value of bread, four times that of tea.

The stakes are high, and at current rates, Cadbury is more than holding its own. Chocolate accounts for 90 per cent of its confectionery sales. It has 30 per cent of the chocolate market (the same as Rowntree and 5 per cent more than Mars). Crucially, 18 major brands account for more than 90 per cent of its mainline chocolate sales, which is why, for the past three years, it has coated itself in marketing orthodoxy and played the big brand sound.

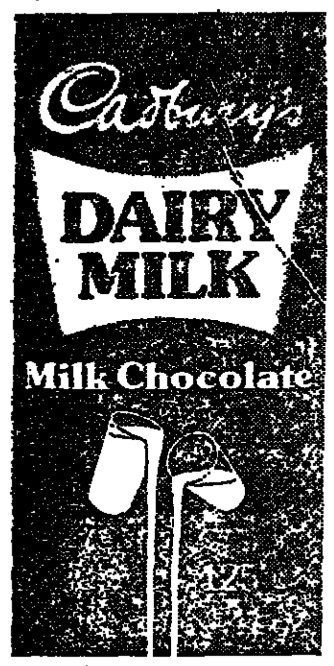
In a market where profit can be very directly correlated to sheer weight of tonnage, and where tonnage—all things being equal—can only be achieved and maintained with intense marketing support, Cadbury has considerably amended its policy of a few years ago.

At that time there was a belief that the confectionery market was static (which was certainly right) and that what was needed was a horde of new products (which was unquestionably wrong). But from there, savaged by the profound rise in cocoa prices and the general recession, Cadbury strayed into very real error, particularly on its biggest selling brand, Cadbury's Dairy Milk. As the table shows, Cadbury's Dairy Milk is currently one of only three confectionery lines with retail sales of £45m-plus. Along with KitKat and the Mars Bar it is part super-brand, part legend.

When you own a legend like Dairy Milk you are supposed to treat it with devotion. You don't reformulate, unless you know precisely what you're doing. You don't repackage unless you're positive you're right. Above all, you don't neglect it. But Cadbury did. It produced slimmer bars of Dairy Milk (rather than raise the retail price). In a bid to maintain profit margins it reduced its advertising support, in real terms, by more than a third over the first half of the 1970s. It even tossed out the famous "pint and a half of milk in every bar" which since 1932 had supplied one of the most celebrated themes in British advertising.

THE £10m+ CLUB

	CADBURY	ROWNTREE MACKINTOSH	MARS	OTHERS
£45m+	Dairy Milk	KitKat	Mars Bar	
£20m+	Milk Tray	Quality Street Yorkie	Twix Milky Way Bounty Maltesers	
£15m+	Flake Creme Eggs Double Decker Wholenut	Aero Black Magic Smarties	Galaxy	
£10m+	Fruit and Nut Crunchie Chocolate Cream Roses Filled Eggs	After Eight Dairy Box Polo Mints Rolo Fruit Pastilles	Opal Fruits Marathon	Wrigley's Spearmint All Gold



This was brand neglect on a grand-vista scale, so that at least partly as a result of the neglect of Dairy Milk, Rowntree was able to sweep into the market with the launch of one of the most successful new confectionery products since the war, the Yorkie chocolate bar. It was introduced in 1977; by the end of last year, in a solid milk block chocolate market worth approximately £120m, it had around 23 per cent of tonnage against CDM's 37-38 per cent and Galaxy's 15.

Yorkie taught Cadbury a very important lesson, though it is a sign of Cadbury's maturity—as well as its very impressive recovery—that it doesn't even wince if you name-drop Yorkie. (Wince? At Bournville they have a huge cardboard mock-up of Rowntree's wretched Yorkie which they clomp down on the table.)

In any case, Dairy Milk has been relaunched. The pint-and-a-half is back. It has been remoulded in chunkier, bigger bars. It has been repackaged. And, according to Gareth Hughes, Cadbury's marketing director, the brand is once again being supported to the hilt. Cadbury spent £1.55m. advertising Dairy Milk last year (Rowntree spent £1.25m on Yorkie).

"Our belief is that advertising is a long-term investment in goodwill," says Mr. Hughes. "Perhaps that sounds trite. It is commonly professed, but over the past three years we have increased advertising's share of the total marketing budget. In the confectionary market you can get trial purchase of virtually any product, but we're not interested in turning out a hundred and one new recipes. We want big brands of at least £5m in income terms. Below £5m we'll let them go. In the late 1960s, marketing saw a great flurry of new products. Now it's seen much more as running a business. We want continuity, profit, weight."

That doesn't mean it will scorn fresh opportunities. But new products will not be introduced at the expense of the current stars, nor unless they can assume a specific role as a major brand. What Cadbury will do is modernise existing brands where necessary, even if that involves major surgery. It scored impressive gains last year with its count-line brands (basically, confections covered in chocolate). Crunchie and Picnic were renovated (like Dairy Milk, they had been slimmed in weight to protect their profit margins). And Double Decker was extended nationally. Its sales were £16m last year. In terms of volume — 160m bars — it matches Yorkie. It already has a volume share of 6 per cent, which is bigger than Topic or Marathon.

In all, nine major confectionery brands were renovated or re-presented last year: Cadbury's Dairy Milk, Milk Tray (worth £22m at RSP), Wholenut, Fruit and Nut, Crunchie and Picnic, as well as Mars' Galaxy, Terry's All Gold and Rowntree's Toffee Crisp. Among assortments, Cadbury's Roses made further ground to £14m, and Bournville Selection reached £8m. However, with a 13.7 per cent tonnage share, Milk Tray still trails Rowntree's Quality Street, which has 24.6.

Thus the big brand philosophy is alive and well, and living at Bournville. MEAL-type advertising in this market last year totalled £39.8m, 35 per cent up on 1977. Cadbury spent £11.9m, Mars £10m and Rowntree £10.3m. Cadbury, for one, says it will raise its ad spend again this year by an amount that exceeds media inflation.

Cadbury has considerable respect for Mars and Rowntree. "They're superb competition," said one Cadbury executive. "They're not like the Spillers or the Lyons of this world, who make really dramatic mistakes."

But in confectionery there's not much time for mutual admiration. Not when there are 32 brands each worth at least £10m.

LOMBARD

Houses not for sale

BY COLIN JONES

THE RAPID growth in home ownership in the last couple of generations has been brought about only in part by the building of new houses for sale. A very substantial contribution has come from the purchase of privately-rented accommodation by sitting tenants or on the vacation of a tenancy by death or removal.

Indeed, there have been years when acquisitions were adding more to the stock of owner-occupied houses than new building. Calculations made for the government's housing policy review two years ago showed that acquisitions of formerly rented accommodation accounted for 38 per cent of the growth in the total stock of owner-occupied homes between 1914 and 1938, as much as 54 per cent of the net addition between 1938 and 1960, and about 30 per cent of the growth between 1960 and 1975.

All in all, only 60 per cent of the 10m owner-occupied homes in 1975 had been built for owner-occupation; the remaining 40 per cent had been acquired from the rented sector.

Exhausted

The private rented housing sector has now declined to the point where the scope for adding to the stock of owner-occupied housing from this source is now very limited. Indeed, it would be better if it were considered to be exhausted so that at least some choice of accommodation is preserved for those who, for preference or because of personal circumstances, wish to rent.

So, with new building currently adding about 1-1½ per cent a year to the stock of owner-occupied homes, there is now a clear prospect of the growth in home ownership slowing down.

Yet there is still a large unsatisfied demand for home ownership. A consumer survey commissioned by a NEDO study group two years ago (when 52 per cent of homes were owner-occupied) found that 69 per cent of the adult population (over 16 years) gave owner-occupation as their first choice, including 40 per cent of all local authority tenants and 36 per cent of those living in privately-rented accommodation.

Whether this underlying demand will become effective demand will depend upon the availability of mortgage funds and the relationship between real incomes and house prices as well as upon the availability of homes for purchase. In the longer run, private builders may increase their house building programmes so as to make good the decline in the acquisition of rented stock. But, since building programmes lag behind changes in demand, there could well be strong upward pressure on house prices during periods of easy credit and rising real incomes.

Options

An alternative approach would be to promote the sale of local authority houses to would-be home-owners. But Mr. Peter Shore, the Environment Secretary, is now proposing to clamp down on this possibility by limiting such sales to sitting tenants of two years' standing and by preventing local councils both from selling off unlettable stock and from giving options to buy to tenants who are currently unable to finance a purchase.

There is of course a deep-seated resistance to the sale of local authority housing. The one important argument put forward to justify this attitude is that the potential loss of re-lets will make it harder for local councils to meet housing needs, especially in housing stress areas.

The argument is not wholly conducted on party political lines. Mr. Frank Field put forward "a left-wing case" for the sale of council houses in a Catholic Housing Aid Society pamphlet a few years ago. Such a move, he said, would not only increase individual freedom but also help to re-distribute wealth and thereby directly attack the cycle of poverty.

One would add that it would also free public resources for tackling more specialised housing needs, encourage better use of the existing housing stock, and lead to a more efficient use of resources overall. If the unmet demand for home ownership were to be met solely by the provision of new houses for sale, local councils could well eventually find themselves left with housing which they could neither let nor sell—nor even probably give away.

Lessons from the bankruptcy tug-of-war

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

A TUG of war has been in progress for a number of years between the banks and other creditors of bankrupts or failing companies. It has been going on all over Europe but the position of the adversaries in the UK is very different to that on the Continent. In the UK the "floating charge" enables banks to get most or all of their assets left in the hands of a receiver so that little or nothing remains for the other creditors. If the suppliers of the insolvent debtor are not financially strong the bankruptcy may have a domino effect. On the Continent the banks rarely have a security as comprehensive as the floating charge, while suppliers can protect themselves by retaining the ownership to goods until they are fully paid for.

Because of this different position of creditors Continental banks are trying to evolve legal instruments which would give them the equivalent of the British floating charge, while British suppliers are trying to obtain protection by introducing all sorts of "retention of title" clauses in their sales contracts, as a provision against the effect of the floating charge of the banks, should the debtor become insolvent.

The Court of Appeal in London made a concession of crucial importance in favour of the suppliers when it ruled in 1976 that a clause in a sales contract, by which the supplier reserved ownership until the goods were fully paid for, gave him protection against a receiver appointed by the bank which had a floating charge over the entire assets of the debtor. In the now famous and often cited decision in the Romalpa case, the court ruled that the clause had the effect of entrusting the buyer with the possession of the goods but not of transferring the ownership. The clause enabled the supplier in case of insolvency to recover either these goods or any moneys received from proceeds of their sale.

In the Romalpa case the clause required the purchaser—if asked to do so by the seller—to store the material and any objects made from it separately from his property. Moreover, the receiver in the Romalpa case was paid the money claimed by the supplier from sub-purchasers to whom the debtor had sold them earlier. In other words the identity of the materials, products made from them and money received for them remained very clear. Also, there was nothing to suggest that the debtor at any stage achieved full legal ownership of the goods.

One of the many companies which were encouraged by the Romalpa decision to protect themselves by similar clauses in sales contracts was Monsanto. One of the customers to which it sold goods with such reservation was Bond Worth, the carpet manufacturers, which were placed in the hands of receivers in August, 1977. There were two floating charges, one for the Alliance Assurance and the other for the National Westminster Bank, and both appointed receivers.

Monsanto asked to be paid before other creditors because it had reserved "beneficiary ownership" to its supplies, products made from them and proceeds received for them. The dispute came before Mr. Justice Slade in the Companies' Court (Chancery Division of the High Court in London) and he delivered a judgment of fundamental importance on February 12, 1979. He rejected Monsanto's claim and Mr. Raymond Sears QC who appeared for the defeated company was reported to have said on hearing the judgment: "This knocks Romalpa for six."

However, on reading the judgment one cannot help feeling that Mr. Sears' comment was more an emotional reaction than a proper evaluation of the judgment. There is little doubt that the judgment of Mr. Justice Slade does not at all contradict the Romalpa judgment, and of course it is impossible for a divisional judge to overturn a ruling of the Court of Appeal. The fact of the matter is that Monsanto's "retention of title" clause was drafted in such wide and comprehensive terms that it amounted in fact to a floating charge. As such it would have had to be registered with the Registrar of Companies. It was not so registered and was therefore null and void.

The first weakness of the Monsanto clause was that it had done nothing to preclude the passing of the legal title or property of the goods to the buyer on delivery. This was so not only because of the provisions of the Sales of Goods Act, 1893, but also because of the actual drafting of the opening words of the clause: "The risk in the goods passes to the buyer upon delivery, but equitable and beneficial ownership shall remain with us until full payment has been received. . . ."

The second weakness of the clause was that it tried to extend Monsanto's "equitable and beneficial ownership" to unspecified products made from the materials supplied by them and proceeds from the sale of these products. Because neither the products nor the proceeds were separated from others the clause really created a charge hovering over the entire business of Bond Worth and was meant to crystallise only at the moment of insolvency. "So long as Bond Worth remained apparently good for the money," said the judge, "the retention of title clause seems for practical purposes to have been forgotten by both the interested parties." But a clause hovering over all the business of the debtor and allowing him to process materials and sell goods at his own discretion and coming into effect only when he becomes insolvent was a floating charge which must be registered to be effective.

There are certain lessons to be drawn from the judgment by all suppliers wishing to protect themselves against a possible insolvency of the buyer by a retention of title clause.

First, the clause must establish a specific charge attached to a particular property or to property which can be ascertained and defined.

Second, the clause must make it clear that though the possession passes to the buyers at the time of delivery, the legal ownership — and not only beneficial and fiduciary ownership — is retained by the seller.

Third, it should be made clear that when the buyer resells the goods or incorporates them in a product which he sells, he acts as trustee or agent of the seller until the latter has been fully paid.

And finally, it should be anticipated that the court will not consider the retention of title clause in isolation but in the context of the entire business relationship of the parties. If there is the slightest suspicion that the clause could be interpreted as covering all the assets or an entire category of assets, in the nature of a floating charge, it should be registered with the Registrar of Companies to give warning to other creditors and avoid its nullity.

Re: Bond Worth Limited, unreported. See also Romalpa 1976 1 W.L.R. 676; Bowden (UK) v Scottish Timber Products TLR Nov 15, 1978; Yorkshire Woolcombers' Association [1903] 2 ch. 284, p 295; South Australian Insurance Company v. Randell (1869) LR 3 P.C. 101; Foley v Hill 2 H.L.C. 28; Ex parte White 6 Ch. App. 397.

Balding's Linatea a sound bet

RACING

BY DOMINIC WIGAN

WEYHILL TRAINER Toby Balding, who is enjoying one of his most prolific seasons to date, usually does well with the raiders he sends west to Wincanton. It could well be that he will again be in the money there this afternoon.

Balding, who was responsible for two winners—Barley Boy and Atlantic Bridge—on the corresponding afternoon a year ago, is trying to boost his total prize money for the season of more than £50,000 with a trio consisting of Linatea, Wareath and Vague Story.

Wareath is making his first appearance over the minor obstacles in the second division of the novice hurdle, which was won a year ago by the 11-1 Atlantic Bridge. He will have to be a cut above average to get off the mark at the first try, but I am prepared to rely on his stable companion taking Balding's score to 42.

Linatea, in particular, looks a sound betting proposition. The Linacre colt formerly in the care of Duncan Keith, the Winchester handler, has run encouragingly on both his appearances to date. He should need to produce no more than normal improvement to lift the opening division of the novice hurdle, from which Jim Old has withdrawn Flurry Knox.

Vague Story, who is likely to go to post at more attractive odds than either of his stablemates, will be hard pressed to cope with Fred Rimell's unexpected challenger, Trust Ann, in Division III. But he is in receipt of 7 lbs from the Capistrano filly, and may well be the "value" bet there.

Some shrewd punters have done well by confining their activities to hunter chases in which market leaders and second favourites oblige far more often than in any other type of event, either under National Hunt rules, or on the Flat.

Long Lane could well be another boost for them today. The 11-year-old, owned, trained and ridden by Richard Shepherd, goes for the West of England Hunters Chase in which his stablemate, Mountolive, accounted for 19 opponents at 6-4 on a year ago.

Swordsman, who was withdrawn at the final declaration stage from a division of Kempton's Vauxhall novices hurdle yesterday, strikes me as the one they will all have to beat in Wareath's division of the novices hurdle.

WINCANTON

2.00—Stone Thrower
2.30—Balitree
3.00—Gandy II
3.30—Long Lane**
4.00—Linatea*
4.30—Swordsman***
5.00—Vague Story

ENTERTAINMENT GUIDE

TV/Radio

† Indicates programme in in black and white

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.41 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC2, 11.00 am). 4.20 Don and Pete. 4.25 Jackanory. 4.40 Tarzan Lord of The Jungle. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Noah and Nelly.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 A Song for Europe.
9.00 News.
9.25 Potter.
9.55 Film 79.
10.30 Tonight.
11.20 The Sky at Night.
11.40 Weather/Regional News.

All Regions as BBC1 except at the following times:

Scotland—9.41-10.03 am For Schools. 5.55-6.20 pm Reporting Scotland. 10.30 Thursday Night. 11.10 The Sky at Night. 11.30 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.40 News and Weather for Wales.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 9.25-9.55 Spotlight. 10.30 Potter. 11.00 The Sky at Night. 11.20 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
11.25 Ceefax is Here (Trade information film).
4.50 Open University.
6.55 When The Boat Comes In.
7.45 Mid-Evening News.
7.55 Newsweek.
†8.25 Midweek Cinema: "The Thin Man," starring William Powell and Myrna Loy.
9.55 Nana's Journey Into Song.
10.45 Late News.
11.00 Open Door.
11.30 Closedown: The M. L. Nathanson Family (talk).

LONDON

9.30 am School Programmes. 12.00 Little Blue. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-go-Round. 2.25 Danger U.X.B. 3.20 No Man's Land. 3.50 Oh, No, It's Selwyn Froggitt. 4.20 Little House on The Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 Robin's Nest.
8.30 TV Eye.
9.00 The Streets of San Francisco.
10.00 News.
10.30 Inside Business.
11.00 The Thursday Film: "Fear in the Night," starring Judy Geeson, Joan Collins and Peter Cushing.
12.45 am Close: A look at Westminster Abbey with music by Vaughan Williams.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 3.50 Give Us a Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 9.00 The New Avengers. 10.30 Wish You Were Here. 11.00 Thursday Movie: "Death Is a Woman." 12.35 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 3.50 Electric Theatre Show. 4.20 Jonny Quest. 4.50 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Format V. 11.00 Cinema Showcase: "The Loved One."

BORDER

†1.20 pm Border News. 3.50 Give Us a Clue. 5.15 Call It Macaroni. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 9.00 Barnaby Jones. 10.30 The Electric Theatre Show. 11.00 Power Without Glory. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 3.50 Give Us a Clue. 5.15 Survival. 6.00 Channel News. 6.10 Dynomutt the Dog Wonder. 7.00 Chips. 9.00 Hawaii Five-O. 10.28 Channel Late News. 10.32 Untamed World: Thailand. 11.00 Movie Premiere: "Larry." 12.25 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 3.50 The Rolf Harris Show. 4.20 Space 1999. 5.15 Dynomutt—The Dog Wonder. 5.40 Help! 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 9.00 SWAT. 10.30 Reflections. 10.35 TV Movie: "The Stranger Within." 12.00 Grampian Late Night Headlines.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Give Us A Clue. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Fantasy Island. 10.35 Cardiff Festival of Choirs. 11.05 Sidestreet.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

GRANADA

1.20 pm Dodo. 3.50 Stars on Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 Max, the 2,000-Year-Old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Fantasy Island. 10.30 What's On. 11.00 Late Night Thriller: "Witchfinder-General," starring Vincent Price.

SCOTTISH

1.25 pm News and Road and Weather. 3.55 Give Us a Clue. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Best Disco in Town. 7.30 How's Your Father. 9.00 Rafferty. 10.30 Encore for the Arts. 11.15 Afloat. 11.45 Late Call. 11.50 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 3.50 The Rolf Harris Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Southern News Extra. 10.35 Your Westminster. 11.05 The New Avengers. 12.00 What the Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.50 Give Us a Clue. 4.20 Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Father, Dear Father. 9.00 Hawaii Five-O. 10.30 Northern Scene. 11.00 Sporting Chance. 11.35 Side Street. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.50 Give Us a Clue. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 Counterpoint. 11.00 Thursday Night. 11.10 The Bob Newhart Show. 11.35 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Give Us a Clue. 5.15 Survival. 6.00 Westward Diary. 7.00 Chips. 9.00 Hawaii Five-O. 10.28 Westward Late News. 10.30 Talk of the Town. 11.00 Movie Premiere: "Larry." 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.50 Give Us a Clue. 4.20 Dynomutt. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Father, Dear Father. 9.00 Vegas. 10.30 Wish You Were Here . . . ? 11.00 Fantasy Island.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 8.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Mike Read. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Harry Rowell's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Shelia Tracy (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Berlioz (S). 9.55 St. David's Music Week 1979, part 1 (S). 10.40 In Short (talk). 10.50 St. David's Music Week 1979, part 2 (S). 11.40 BBC Scottish Symphony Orchestra (S). 1.00 pm News. 1.05 Manchester Midday Concert (S). 2.00 "L'Amico Fritz," opera in three acts by Mascagni (S). 3.45 Harmonica, Guitar and Harpsichord recital (S). 4.30 Words . . . (talk). 4.35 Rostrum 78 (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound (continued). ‡6.15 At Home: Chamber music concert. 7.10 Johann Strauss arranged by Schoenberg, Webern (S). 7.30 Drama Now: "Pythagoras" by Dannie Abse (S). 8.45 Purcell Songs (S). 8.55 A Bicycle for Two (story by Nigel Dennis). 9.35 Somervell's "Maud" (S). 10.10 Two Views of the Byzantine World. 10.40 A Time and Place (S).

VHF Only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today—Magazine, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week with Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 One Last Look at the Garden: Brenda Kidman, cancer sufferer, tells her story. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Just a Minute (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Beethoven and Bruckner concert, part 1 (S). 8.10 Travels of a Gentleman. 8.25 Beethoven and Bruckner concert, part 2 (S). 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 79. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 Join Radio 2.

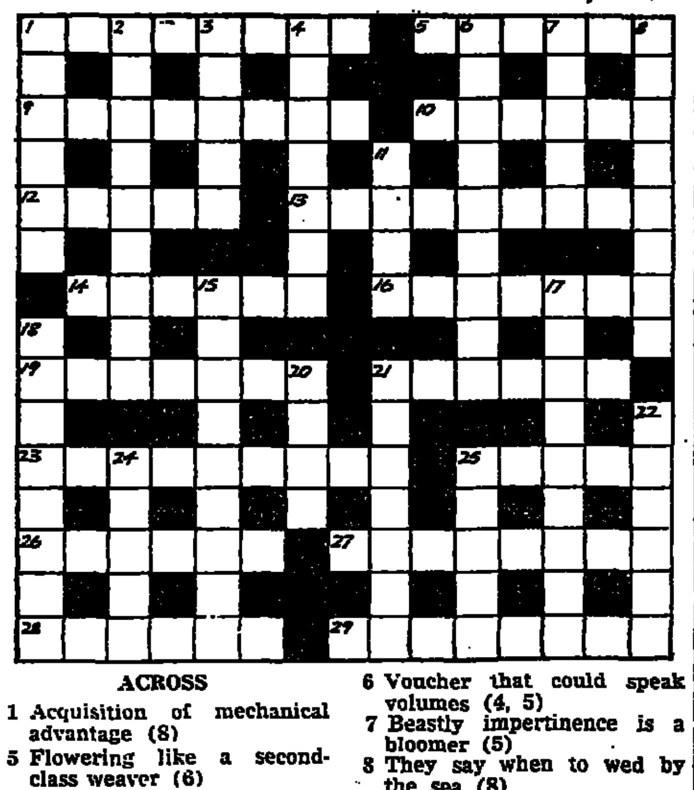
London Broadcasting

5.00 am Morning Music. 6.00 AM: news, information, travel, sport. 10.00 Brian Hayes. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.03 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 3,916



ACROSS

1 Acquisition of mechanical advantage (8)
5 Flowering like a second-class weaver (6)
9 Henry when grown up was the very devil (3, 5)
10 Wave keeping wave in place (6)
12 Resentment at summit we hear (5)
13 Trophy for athletic wear placed in difficult position (5, 4)
14 Shower before large-size anti-climax (6)
16 Graceful title (7)
19 Uncle's customer takes quietly to account book (7)
21 Is a railway in position to carry a bird? (6)
23 Aspect quite a few find lively (9)
25 Plant swelling for underground traveller? (5)
26 Go too far in superior party (6)
27 Go-getter given sack before dance? (8)
28 The one way to become a believer (6)
29 Male artist left boring science in arms (8)

DOWN

1 Supply missing words without delay (6)
2 Blushing over old-fashioned Muscovite landmark (3, 6)
3 Man welcome in tug (5)
4 Rank outside right is in the clouds (7)
6 Voucher that could speak volumes (4, 5)
7 Beastly impertinence is a bloomer (5)
8 They say when to wed by the sea (8)
11 Old silver collected by newsman (4)
15 Tall spring flowers seen round coasts (4, 5)
17 In brief tradition upset directors' missile target (4, 5)
18 Striking period to explain in detail (5, 3)
20 Bird that could mate on board (4)
21 Caught clergyman getting hard water into tiny opening (7)
22 It goes up when it comes down (6)
24 Land in beneficial ownership (5)
25 Letter from abroad to the part time soldiers (5)

SOLUTION TO PUZZLE No. 3,915

هكذا من الأصل

THE ARTS

Book Review

Father figure by B. A. YOUNG

The Life and Art of Henry Beerbohm Tree. The Great Lover by Madeleine Bingham. *Hamish Hamilton, £7.95, 293 pages*

People are inclined now to write off Herbert Beerbohm Tree as the kind of man who furnished his *Midsummer Night's Dream* with live rabbits. But, as Madeleine Bingham adequately demonstrates, there was nothing trivial about him. He was an intelligent, inventive actor-manager who interpreted his own time as well as John Osborne interpreted his. The times happen to have been very different; Tree was an Edwardian to his finger-tips.

The Beerbohm family was from Lithuania, good-class Germans, despite the evidence of the map. Tree's father came to England via Paris and went "into the City;" he had four children by his English wife, and when she died he married her sister and had five more. Max, Herbert's half-brother, was 20 years his junior. He was best man at Herbert's wedding at the age of ten.

Herbert began as an amateur during the eight years he spent in his father's business as a corn-chandler, but he was well enough esteemed to charge for his spare-time occupation. As a professional he seems to have progressed at a great rate, training himself on such books as *Various Expressions of the Emotions*. He began in 1878, and by 1881 was already earning the immense fee of 14 guineas a week.

He had not the looks for a matinée idol, with his carroty hair and pale eyes, but he became a matchless character-actor in such parts as Svengali, Malvolio, Higgins. (He really wanted to play Doolittle.) Typically, he was Caliban, not Prospero, in his *Tempest*. Great lover, on the stage, he was not. He bought an American play of that name on his way to Hollywood in 1915, where at the age of 63 he was to play *Macbeth* with Constance Collier; but though he studied it assiduously he died, of a blood clot after an operation, before he put it on.

In life he might have claimed the title. He married Maud Holt, who in due course acted under the name Lady Tree, and by her had three daughters, Viola, Felicity and Iris. By the reticent May Pinney, who inexplicably changed her name to Reed, he had six children, including the film-director Carol Reed and the father of the actor Oliver Reed. He had another son by Muriel Ridley, an actress he met in America.

His double life was managed with exemplary discretion, and it must have been a blow for Lady Tree to learn at his death that half his estate had been left to his "faithful friend of many years." What became of Miss Ridley, we are not told.

Madeleine Bingham, with the advantage of Tree's own copious notes and diaries, has drawn a clear picture of this likeable, intelligent, unpredictable man. His lavish notions, on and off the stage ("life is too short for second-rate hotels"), may seem unsympathetic to our austere generation. But the Press of his time, not to mention Her Majesty's Theatre and RADA (which he founded in 1904), provide a lasting memorial to a great man.

Leonard Burt

Patrik Fitzgerald, Caroline Helder and Natasha Gomperts

Royal Court 'Garage'

Baby Talk by MICHAEL COVENEY

The Young People's Theatre Scheme at the Royal Court operates mainly in a garage round the corner from Sloane Square and is currently presenting a double bill of two 90-minute plays: *Trust You* by Anna Wheatley (aged 19) and *Baby Talk*, devised by Tim Fywell from stories and poems by Patrik Fitzgerald (aged 22).

Of the two, *Baby Talk* is better, but neither piece measures up to the standards set by the same company's *Blame it on the Boogie* last December in the Theatre Upstairs. I suspect that this sort of work is not really aimed at general audiences at all, despite Mr. Fywell's superficially competent direction, with its traverse polythene cloths, trendy lighting and sure sense of stage space. The acting area is a scaffolded territory of raised platforms. Mr. Fywell knows how to use it; Janet Goddard, director of *Trust You*, does not.

There is in both plays a reasonable quota of glancing *aperçus* such as only bright teenagers can provide, but *Trust You* suffers from sprawl and crawl, while *Baby Talk* jumps a little too easily on the punk bandwagon in its precious incantation of anti-social values. Patrik Fitzgerald appears as a cocksure punk, pouring scorn on his brother's efforts to hold down a boring City job, and is only reconciled with him when he (the brother) jumps out of an office-block window and, in hospital, destroys a bunch of grapes. Mr. Fitzgerald is an embryo Ian Dury without comparable talent as either performer or street poet. His little interpolated stories, though, reveal a nice line in mordant black humour.

The best actor on view is Tayo Akinbode, a camp black boy in *Trust You*, which traces the fall-out in various teenage alliances without ever establishing a convincing background or social *milieu*.

Wigmore Hall

Maurice Bourgue by NICHOLAS KENYON

Great oboists are rare creatures; Maurice Bourgue is one of those select few outstanding performers on the instrument, famous as both performer and teacher. Students and parents, colleagues and admirers filled the Wigmore Hall for his recital on Tuesday with his wife Colette Kling, and he responded with a generous programme including those two unaccompanied showpieces, Britten's *Metamorphoses* and Berio's *Sequenza VII*.

Bourgue doesn't have the perfect poise and balance of Holliger (for whom the Berio was written) — there were several little fluffs and odd noises in Tuesday's first-half — but he does produce a supremely exciting sound which exploits (rather than glossing over) the plangent reediness of his instrument. In a march-like movement by J. C. Bach, or in the racy finale of the Donizetti Sonata which he has arranged from fragments of a concerto and sonata, Bourgue creates a fiery, pungent noise which bubbles over the phrases with sheer exuberance.

In Schumann's lovely Romances, Op. 94, the weight of sound is almost too much for the music to bear, yet the musical response is so intense that reservations are quelled. And in Poulenc's Sonata, an inspirational dive into the first unaccompanied notes takes the breath away with its grace and sense of line; the scherzo's fiercely rapped-out rhythms and the finale's quiet desolation complete an outstanding account of a favourite student recitalists' piece, here revealed as real music.

Arts news in brief

Paavo Berglund is to relinquish his position as principal conductor of the Bournemouth Symphony Orchestra in August this year. The orchestra will not be severing its link with Mr. Berglund as he will make regular guest appearances with the orchestra in future years.

Firm commitments include a number of concerts in this country during the 1979/80 season, recordings with EMI and a tour abroad in 1981.

★

Sadler's Wells Royal Ballet will pay tribute to the Russian impresario Sergei Diaghilev at this year's Edinburgh Festival. Sponsored by Midland Bank, the company will give a week of ballet performances, from August 20 to 25, in the "big top," a tent seating more than 1,000 people, which will be pitched on the meadows, the big public park on the south side of the city.

This year's festival commemorates Diaghilev and, besides paying tribute, the company will give two world premieres. One will be a new ballet by the Dunfermline-born choreographer, Kenneth Macmillan. The second, *The Triumph of Neptune*, is a new version by David Bintley of the only English ballet Diaghilev produced. The company will also celebrate Sir Frederick Ashton's 75th birthday.

★

Lord Donaldson, Minister for the Arts, has accepted the recommendation of the standing commission on museums and galleries that a pastel by Degas entitled, *Two Dancers in a Field*, should be allocated to the Fitzwilliam Museum, Cambridge.

The pastel was accepted by the Treasury in part satisfaction of capital transfer tax, and paid for from the National Land Fund.

★

Michael Crawford makes his return to the West End theatre in the musical *Flowers for Algernon* which will open in London on June 19. It has music by Charles Strouse and book and lyrics by David Rogers and will be directed by Peter Coe.

The musical is based on the novel by Daniel Keyes which was made into the film *Charly* which starred Cliff Robertson. Now it is a ten-character musical with nine musicians in the orchestra.

★

Michael York has taken a year's option on the dramatic rights of Burke Wilkinson's biography of Erskine Childers, *The Zeal of the Convert*, published by Colin Smythe at £6.75.

Last June, Michael York finished filming Childers's novel *The Riddle of the Sands*, which is to be released this spring. He became interested in Childers's life while working on the film and read Wilkinson's book. Commenting on it, York said: "I was enormously moved by the story. Burke Wilkinson tells it with great precision and economy . . . I am convinced that Childers's life, which was extraordinarily rich in both physical and literary activity, can make a thrilling film."

Berlin Film Festival

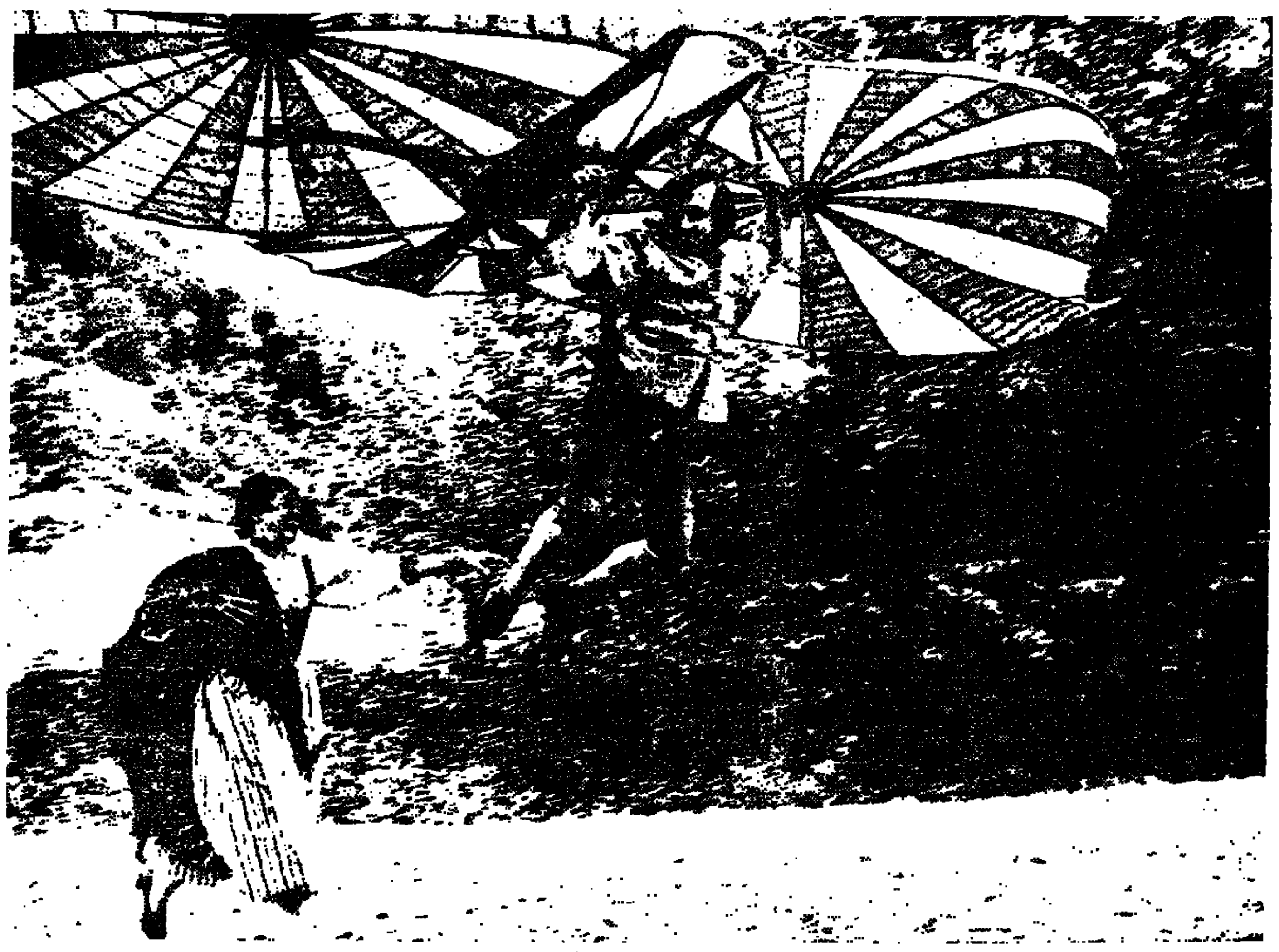
Dented reputations by NIGEL ANDREWS

"Oh, mein Gott, das ist meine Tochter!" cried George C. Scott, clutching his forehead. At least, that's what he cried according to the German poster for the American movie *Hardcore*, shown in competition at this year's Berlin Film Festival. What Mr. Scott actually says in the film—no problem for German speakers—is: "My God, that's my daughter!" uttered on glimpsing his missing teenage child acting in a San Francisco porno movie.

The German version, however, will do very nicely as a text for this year's Berlin festival report, since it must be close to what Dr. Wolf Donner, festival director since 1977, cried inwardly when he saw his two-year-old protegé being torn in two. After only two days, the festival was hit by an unprecedented six-nation walk-out. Having failed to dissuade Dr. Donner from showing the controversial American film about Vietnam, *The Deer Hunter*, almost the entire Communist delegation to the festival departed in high dudgeon, taking their films with them. The departing countries included Russia, East Germany, Hungary, Czecroslovakia, Bulgaria and Cuba; the departing films included four features entered for the main competition: and the departing individuals included two members of the festival jury, Czech director Vera Chytilova and Hungarian director Pal Gabor.

How are the mighty fled! one murmured in astonishment as the Iron Curtain swept shut behind the indignant departees. But although the mass exit made for a sadly depleted festival, those who read my views on *The Deer Hunter* last week—pronouncing it the nearest thing to a masterpiece the American cinema has produced in years—will find few shreds of sympathy here for the motives of the walkers-out.

The Communists evidently found the film's "pro-American" stance too much to take. But after years in which the cinema has kowtowed to a fashionable line in pro-Vietcong sentiments, Cimino has had the courage to make, and Wolf Donner the courage to show, a film which stands four-square and stubbornly against the trend. It's not so much a "pro-American" movie as a humanely neutral and pacifist one. But there is no arguing such fine points of ideological debate with the lunatic fringe of the Left.



Tilo Prückner as 'The Tailor from Ulm'

The rest of the festival took place, not surprisingly, in an atmosphere of mild shell-shock: a state testified to by the last-day judgments of the festival jury. The seven remaining members of that body gave the Golden Bear to a dim and decent German film called *David*, about the decimation of a Jewish family in World War Two, and the Silver Bear to a scatter-brained Egyptian comedy, also set during World War Two, called *Alexandria—Why?*

The Best Actress prize went to Hanna Schygulla, who deserved it for her sensitive portrayal of the title heroine in Fassbinder's *The Marriage of Maria Braun* (World War Two again), and the Best Actor award to Michele Placido, who did no more than fill out the not-too-demanding contours of a homosexual docker in the Italian social drama (*not* set in World War Two) *Ernesto*.

One would suppose that the one thing likely to unite Communist and free-world festival-goers would be a festival in which World War Two was the main dish on the menu. Donner was unlucky, or carelessly provocative perhaps, in choosing to screen *The Deer Hunter* so early in the proceedings. Elsewhere in the festival, East and West, Left and Right, could have united in a positive feast of Hitler-bashing that began with *Maria Braun*, Fassbinder's tale of the moral ravages wrought by Nazism on Germany during and after the war, ended with *David*, and took in along the way such exotica as *Geheime Reichssage* (skilfully rehashed footage of the trial of a group of officers who planned to assassinate Hitler) and a retrospective season of Nazi-era musicals.

Is it all merely a dubious exercise in nostalgia, alternated with muck-raking, or does the Hitler era have something pertinent to say to the present generation? Certainly Rainer Werner Fassbinder, who, after a period of silence, has stormed *back into filmgoers' consciousnesses* in this festival, expresses in his movies the sense that Germany is constantly on the brink of a New Fascist Dawn. *The Marriage of Maria Braun* chronicles the rise of a career woman in post-war Germany, and shows how the bricks of capitalist opportunism may be used to build the foundation for a new era of tyranny and exploitation.

The film is oddly stilted in structure and style for a Fassbinder movie — it's only the second feature that he has not scripted himself (the first was *Despair*) — and the bleached, anaemic colour photography is an acquired taste. (I acquired it, but dozens didn't.) What *does* impress is the application of Fassbinder's decorative, *tableau-vivant* direction to a two-hour story that has some of the cliffhanging fascination of a television serial.

Spearheading the regiment of films that *weren't* preoccupied with World War Two was another Fassbinder offering, *A Year with Thirteen Moons*. Tortuous in its story and dazzling in its visuals—Fassbinder here hurls bright colours across the screen as if in an action painting — the film is almost too much to take in at a single viewing. It tells the story of a transexual (Volker Spengler) who, many years after the operation that changed him from a man to a women, reviews his life in a series of bizarre encounters with old friends and old flames. The film begins almost naturalistically — a freshly cut, if somewhat dripping, slice of life — but soon spirals into surrealism and Kafka-like nightmare. Magnificent to look at, puzzling to interpret. Will some enterprising distributor please bring it to London?

Like Fassbinder's transexual, the hero of Francois Truffaut's *Love on the Run* also wanders about *à la recherche du temps perdu*. But there the resemblances end. This is the latest, and Truffaut says the last, film about the exploits of his quasi-autobiographical hero Antoine Doinel, played by Jean-Pierre Léaud. Since Doinel-Léaud's baptism in *The 400 Blows* Truffaut's comic-romantic *alter ego* has got steadily more tiresome, and this valedictory winding-up comes not a movie too soon. Léaud is his usual mannered, brusque and airy self, and the series of forgettable heroines, taken out and warmed over from earlier Truffaut films, include Marie-France Pisier, Claude Jade, and Dani.

The other "name" director to let his admirers down with a bump was Werner Herzog. His new version of *Nosferatu*, the German vampire classic made by F. W. Murnau in 1922, is a gorgeously designed and photographed museum-piece. Many of the film's individual parts improve upon the original: the acting is more polished, the spoken dialogue is less creaky than Murnau's sub-titles. But the parts do not begin to add up to a better whole. Indeed, they hardly add up to a whole at all: just a series of swoony dream-images that hover perilously on the brink of TV-commercial prettiness. Only Klaus Kinski's vampire, rat-toothed and shaven-skulled, contributes an authentic *frisson* worthy of the older film.

Some famous film-makers, by contrast, reach a zone of twilight consistency where they can put hardly a foot wrong. When did Federico Fellini last make a bad film? The memory boggles.

His new work is *Prova d'Orchestra*, a 75-minute surrealist fantasia recounting the adventures of an orchestra rehearsing in a crumbling Italian church. Literally crumbling, since the church collapses around them near the end of the film, a sort of apocalyptic admonition to the orchestra's members who have just staged a fiery rebellion against their conductor. Fellini's little parable about order and anarchy is hugely witty, very astute, and brimful with that local humour and character-colour that has made his work the rare Italian vintage it is.

Among other delights, curiosities or just plain aberrations offered by this year's festival you may choose of the following. Paul Schrader's *Hardcore* I have mentioned—more can be said about this addle-pated American morality tale when it opens, as it soon will, in London. So, I hope, will Alain Tanner's cheerful *Messidor*, a sort of Women's Lib *Bonnie and Clyde* set in modern Switzerland. About Peter Brook's *Meetings With Remarkable Men* I am not so sure. This mystical search for knowledge in wildest and most-wild-eyed Afghanistan is the dottiest offering yet received from European Culture's most famous and most itinerant *enfant terrible*.

Last but not least, Edgar Reitz's *The Tailor from Ulm*. This was the season-stealer in the special programme of New German Films that has graced the Berlin Film Festival since 1977. It is the tale, based on fact, of a poor German tailor who in the last century pioneered his own humble methods of flying—or gliding — with home-made wings.

The film tells the story both of the man and of his society: how the second began by patronising, and ended by ruthlessly exploiting the special skills of the first. The theme of social tyranny and intervention, though never overweighted, link the film subtly to motifs that were never far from the surface of this year's Berlin Film Festival.

Guildhall

La scala di seta by MAX LOPPERT

Its overture apart, Rossini's *Silken Ladder* is not very often played, and not very highly rated. Meeting the opera for the first time on Tuesday in the Guildhall School performance, I was enchanted by it. It is early Rossini, his fifth opera and fourth to reach the stage (Venice, 1812). It boasts the special charm peculiar to the early Rossini comedies, the luminous freshness that is the product of excellent schooling (the spry, beautifully "heard" scoring is just one of the evening's pleasures), resource in formal shaping, and lyrical felicity. There are no obvious hit numbers in this one-act *farsa*; that, and the similarities between its plot and that of Cimarosa's *Matrimonio segreto*, may have decided its fate.

In a gently played and sung student performance, wisely directed around character rather than farcical situation by Dennis Maunder, and affectionately conducted by Vilem Tausky, we could appreciate just how substantial is the build of each of the eight numbers. Pre-echoes of *The Barber* are heard in the duet for young mistress Giulia (soprano) and manservant Germano (baritone); later, Germano's *andante* aria fades away in strange, almost *Tristan*-esque appoggiaturas as he nods off to sleep; most remarkable of all, the finale (in which Giulia awaits a midnight rendezvous with her "secret" husband, unaware of spies secreted in various vantage-points) infuses the suggestion of nocturnal shadow and romance into the music in the way Rossini was to master many years later in *Comte Ory*.

The vocal lines need voices that move flexibly through run and roulade; it was good to hear that clean and fluent movement in young voices, successful, for the most part, in not fudging or gumming up the notes. The piece also needs a *tenore di grazia* with easy Cs. In this, the Guildhall has been less lucky; but in the first of the two casts (to be heard again in tonight's performance, penultimate of the four), there were two good sopranos, Louise Tucker as Giulia and the full-toned Anne-Marie Owens as her cousin Lucilla; and two promising baritones, Michael McLean as Giulia's suitor Blanzac, and Paul Leonard, an attractively smooth singer and unexaggerated comedian, as Germano. The opera is given in Italian, which is a serious mistake, though it allowed us to hear Miss Tucker and Mr. McLean are already quite polished in the tricky business of singing recitative.

The Silken Ladder is paired in a double bill with *Acis and Galatea*. Rossini and Handel: an evening of musical riches! But also a rather long evening, and not very good at convincing us that *Acis* was meant to be staged at all—Brian Trowell's production, full of ring-a-ring-a-roses routines awkwardly undertaken by the young performers, manages to emphasise rather than disguise the basically undramatic nature of the piece. Mr. Trowell, who has prepared the edition and also conducts the small instrumental ensemble, rightly insists on having it sung by just five singers, who provide the chorus as well as the soloists. Not every one of their number showed himself ready to face the task of doing justice to some of the most glorious arias in existence; but Laurence Dale brought a sturdy, well-placed tenor to Damon's music, and Ann Mackay, a Galatea to delight the eye, also (once the timbre had cleared and come forward) delighted the ear, notably in a sensuous account of "As when the dove."

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EMS at last in sight

FRANCE'S DECISION to allow the new European Monetary System (EMS) to go ahead, after months of uncertainty, is to be welcomed. The French move, announced yesterday by President Giscard d'Estaing, should if nothing else, ensure a much more auspicious climate for the Paris summit meeting of the European Council next Monday and Tuesday. With doubts persisting over EMS, one of the EEC's most important initiatives for several years, the Community has been unsure where it was heading on a much wider front in recent weeks. The delay had begun to arouse fears in Brussels that EMS might not come about for many more months, if at all. Apart from the inhibiting effect on Community decision-making in other fields, the concern was that the Nine's continuing indecision would provoke a new wave of currency speculation which the Community would be unprepared to withstand.

Compromise

Anxiety that the political momentum behind EMS would be lost must lie behind President Giscard's decision to drop France's reservations. The French have not succeeded in securing all they wanted at technical level—a reform of the complicated system of taxes and subsidies (MCAs) designed to offset the impact of exchange rate fluctuations on EEC farm trade. The compromise reached at this week's Agricultural Ministers' meeting in Brussels does not include a firm commitment to run down MCAs, as France wanted, and it still leaves a major question mark over how German farmers will be compensated if the Deutschemark is revalued against other EEC currencies in the future—the nub of the MCA problem. Against this, the French can claim that they have sharply focussed attention on the distortions caused by MCAs, which have been too long neglected, and extracted some sort of commitment that something will be done about it.

President Giscard d'Estaing does not appear to be worried that Britain has not yet accepted the compromise worked out in Brussels, on the grounds that the UK will not be joining the EMS as a founder member in any case. On that there is little room for doubt. There has been no sign of any change in the British position since the last EEC summit in December, at which Mr. Callaghan made it clear that Britain was not ready to join. The UK remains ready to participate in the swap system that will accompany the formal linking of exchange rates—if only to secure a greater say in the working of the system—but *sterling will remain outside.*

Given Britain's intention to maintain the pound's overall stability, sterling is in practice unlikely to drift too far away from the EMS currencies. But the formal position is highly unlikely to change until after the British general election.

Political capital

If the present Government remains less enthusiastic, it would still almost certainly be wrong to assume, as some have done, that Mr. Silkin was deliberately trying to delay the introduction of EMS by refusing to subscribe to the MCA compromise in Brussels this week. He seems to have been genuinely worried, rightly or wrongly, that the compromise left open the possibility of increases in the common farm prices during the annual review that will get under way in earnest later this month. Mr. Silkin has invested a good deal of political capital in his announced determination to veto the slightest price increase.

But the general principle of a price freeze, at least for surplus products, is by now fairly widely accepted. It would not make sense for Mr. Silkin to carry his aim of a total freeze to the lengths of vetoing price increases for non-surplus products where there is a good case for adjusting disparities.

Intervention

If in the coming weeks the Nine can put EMS in place, albeit without the U.K., and reach a sensible agreement on farm prices, the Community will be looking in much better shape than it has for many months. There can be no certainty that EMS will work. The fact that the currencies of prospective members have stuck together since the New Year, with relatively little intervention, may be a good omen. But that is no guarantee that EMS will be able to withstand the shocks of a currency crisis originating outside Europe. TheE MS participants have not as yet wroked out a common policy, for example, on how to handle a dollar crisis. But that does not mean that it *is not worth a try.*

Bring on the Japanese

THE LATEST report of the consumer electronics working party brings out clearly the nature of the threat to employment levels in the colour TV set industry which is posed by the technological lead and cost advantages *of Japanese manufacturers.*

The UK industry's ability to meet the challenge is handicapped by structural weaknesses in that production is scattered over too many small, relatively high cost plants, by deficiencies in product and process technology, and by the collapse of home demand since 1974 which has led to low profitability and low investment. Although imports have so far risen to only 20 per cent of the market, the proportion could well soon increase in view of the imminent expiry of the protection afforded by the PAL licence and the efforts being made by other European set makers to improve their own competitiveness.

Involvement

British manufatcturers are still competitive with set makers in West Germany: the advantage the Germains gain from longer productions runs is offset by higher wage costs. But in the *longer run, the working party* is in effect saying, there is a very real possibility of the Japanese—and perhaps other countries such as Korea which are now harnessing Jajanese technology and production methods—capturing substantial shares of the UK and other West European TV set markets.

The consultants advising the working party have suggested that the right answer would be to seek the active involvement of Japanese manufacturers by encouraging inward investment. The object would be to promote the rationalisation of the UK TV set industry into units of the *scale necessary* to introduce low-cost automated assembly, to incorporate the latest Japanese product and process technology, and to strengthen the manufacture of electronic components used in TV sets and similar products such as visual display units.

The implicit assumption is that as the Japanese share of the European market increases, they are likely to want to base more of their manufacturing operations within Europe, as they have done in the U.S., and that the Japanese companies should be encouraged to make Britain their European base.

Key role

The working party accepts the strategic case for increased Japanese involvement but expresses concern about the longer-term risks if product development were largely to be carried on outside the UK. It accordingly proposes that know-how should also be brought in by other methods, such as technical licences. It also foresees difficulties in achieving a desirable degree of re-grouping in relying solely upon inward Japanese investment. It therefore sees the Government having a key role not least because of its ability to control inward investment and because of the scope for the Government providing financial support for the industry's investment and research and development programmes.

The logic of a pro-Japanese strategy has a great deal to commend it. Indeed it may already be beginning to happen in that four of the five principal Japanese set makers have already decided to set up operations here either as a wholly-owned subsidiary or in association with a British manufacturer.

But, while there are both employment and balance of payments reasons for the Government having an interest in the industry's future, they are also very obvious risks in becoming too involved in detailed decisions about future strategy. Clearly, the Government will have to take a view on certain matters since, as the working party points out, it is already running a wide range of incentives to attract foreign investment and to stimulate investment by UK companies.

Over-optimistic

But Ministers should be wary of becoming too committed to grandiose industry-wide plans which rely on a substantial degree of government subsidy: the dramatic improvement in exports which the working party envisages seems over-optimistic. In the light of past attempts to re-structure uncompetitive industries, direct government involvement should be kept to a minimum.

European chemical industry in turmoil about prices

BY SUE CAMERON, Chemicals Correspondent

THE EUROPEAN chemical industry is "now in a state of chaos" about the "astronomical" prices it is having to pay for its raw materials, according to Mr. Len Burchell, managing director of BP Chemicals.

Mr. Burchell made his blunt summing up of the present situation to leading figures from the industry at a meeting of the Council of European Chemical Manufacturers' Federations in Brussels recently. He also referred specifically to naphtha—the most vital of all the petrochemical feedstocks used in Europe—and few of his listeners can have disagreed with his comments on prices.

Mr. Maurice Hodgson, chairman of Imperial Chemical Industries, speaks of the adverse *effect rising* raw material costs are having on profitability in the group's annual report which is released today. "We have recently been investing more than most of our competitors but continuance depends on adequate profitability and the price weakness in 1978 was a worrying factor," Mr. Hodgson says. "*Despite low growth and* overcapacity in the chemical industry, it is vital to pass on in higher product prices the massive increases in naphtha costs together with any further rises in petroleum raw material costs which result from the latest OPEC decisions and the Middle East situation."

The first two months of 1979 have seen a dramatic turn of events on the Rotterdam spot market. Since the beginning of the year spot naphtha prices have risen from about \$190 a tonne (£95) to \$285 a tonne (£142). Benzene, an aromatic chemical made from naphtha, was selling at about \$410 a tonne on the spot market six weeks ago but the price has now risen to \$560 a tonne. The spot price of styrene which is made from benzene and ethylene—another naphtha derivative—has gone from \$580 to \$880 a tonne during the same period.

MR. LEN BURCHELL
... astronomical prices

The size and suddenness of *of these price rises have thrown* the European chemical industry into turmoil because many major companies are worried about their ability to pass on their increased feedstock costs to their own customers. They are frightened of being undercut by their competitors and of losing their hard-won market shares.

Spot prices are highly sensitive and they can give a misleading picture because the majority of European chemical companies buy most of their naphtha on fixed contracts rather than on the Rotterdam market. But the factors that have led to *startling* rises in spot market prices have held good for contract prices as well.

Last July naphtha contract prices were in the region of \$140 an tonne. By the beginning of this year they had risen to \$190 and they are now expected to rise to a minimum of \$250 for the second quarter of 1979.

The immediate reason for the massive price increases in naphtha and its derivatives during the last few weeks has been the halting of all oil exports from Iran—naphtha comes from oil. But in one sense the political upheaval in Iran has been no more than the straw that broke the camel's back. Naphtha prices began their upward surge last summer and for a variety of reasons.

The European chemical industry is suffering from serious overcapacity and as a result its *product prices have been depressed.* Repeated attempts to jack up prices—particularly in the field of plastics materials—were made last year and in 1977 but these either proved only partially successful or failed altogether.

Yet in the latter part of 1978 naphtha supplies began to tighten while demand started to increase. One reason for this was the environmental legislation introduced by the U.S. *which banned the use of lead* in petrol. The only way of maintaining the octane level of lead-free petrol is to add benzene — a naphtha derivative — instead. Therefore, last year U.S. demand for naphtha increased.

At the same time the chemical industry started to feel the effects of the restrictions Saudi Arabia had placed on its production of light crudes. Naphtha is produced in the greatest quantities from light, rather than heavy, crude oil.

In addition, world demand for products made from the heavier end of the oil barrel had been *falling off for some time.* The result was that oil companies were forced to gear their refinery throughputs to heavy gas oil. Therefore, they were processing smaller quantities of the lighter products such as naphtha. The impact of this also started filtering through to the European chemical companies *towards the end of 1978.*

The net effect of all these differing trends was that naphtha prices rose by approximately 30 per cent during 1978 and it was clear that they would increase further during 1979. This was because the Organisation of Petroleum Exporting Countries announced a 14.5 per cent rise in oil prices which meant that oil fractions such as naphtha would also be going up in price.

By last December Imperial Chemical Industries was talking *about the "enormous" rises in* its feedstock costs and was announcing price increases of up to 50 per cent for its own naphtha-based products. ICI's initiative was welcomed with open arms by the majority of chemical companies.

Most of the European chemical majors saw increased naphtha costs as an opportunity to put up their own product prices and to make them stick. There were still fears about market shares but there was also a degree of cautious optimism within the industry.

Then came the revolution in Iran and the downfall of the Shah. On Boxing Day exports of Iranian crude stopped. But the European chemical industry remained strangely unmoved. For a whole month it gave the impression of being quite oblivious to the fact that the ending of Iranian oil exports would inevitably mean a further tightening of naphtha supplies and more increases in naphtha prices.

Shell International Chemicals reckons that most of the European majors simply did not believe the Iranian oil crisis would last so long or have such an impact on them—particularly as there were still plenty of fully loaded oil tankers heading for Europe during January. The rush of chemical price increases announced by ICI, Bayer, Monsanto, Borg-Warner, Dow Chemical Europe, Du Pont and Hoechst at the end of January and the beginning of February would seem to bear out the Shell view.

One example of the chemical industry's cautious approach to trends in feedstock prices is provided by the German-based Hoechst. It is believed that Hoechst, the biggest chemical company in the world, has not yet agreed fixed contract prices with its ethylene and naphtha suppliers for the fourth quarter *of 1978.*

It is not unusual for quarterly fixed contract prices to be agreed after the quarter has actually started and the first deliveries have been made. Buyers and suppliers both hope market trends will give them a better deal. But it is rare for a chemical company to leave price settlements as late as Hoechst is believed to be doing.

Hoechst itself refuses to say whether or not it has settled its 1978 fourth-quarter naphtha and ethylene contracts. But the German giant's silence is more than made up for by one or two of the other European majors *which have plenty to say about* Hoechst in private. They are worried that Hoechst's slowness to move will hamper their own price rise initiatives. They fear their customers will take Hoechst's dilatoriness to mean that higher prices for chemical products are not unavoidable.

But much of Hoechst's business is directed away from the commodity end of the chemicals market—pharmaceuticals is one of its biggest product areas—and it is not a major buyer of naphtha. This may be one reason why the West German Federal Cartel Office has warned Hoechst against trying to introduce huge price rises in order to recover its increased feedstock costs. This week the cartel office told the group that even public discussion of price increases of up to 50 per cent could be an infringement of a law against limitations on competition.

Some sections of the European industry are much more concerned about the intentions of the U.S. chemical majors than about the doings of companies like Hoechst. American chemical groups are not nearly so dependent on naphtha feedstocks as *those operating in Europe.* This is because the U.S. makes much of its ethylene and propylene—major chemicals used chiefly in the manufacture of plastics—not from naphtha but from ethane and propane which are natural gas liquids.

The availability of these liquids in America means there *is a real danger of the U.S.* flooding Europe with cheap exports if chemical companies on this side of the Atlantic allow their product prices to spiral too high in the wake of increased feedstock costs. The main export opportunities for the U.S. would be in the fields of plastics and solvents.

Rhone-Poulenc, the French-based chemical concern, believes the U.S. will undoubtedly try to move in on the European market with ethylene derivatives such as plastics. It says *there can be "no question about* it."

Insufficient finesse

The French group expects that the European companies will do comparatively well this year because some chemical products are already in short supply and there will be plenty of opportunity to raise prices. It adds acidly that it is "easy to practise statesmanship in pricing when the produce is short."

But Rhone-Poulenc fears that the Europeans will not show sufficient "finesse" in their pricing policies. It says they may overdo it, set their prices too high and so open the way for the Americans. It adds that the crunch could come in 1980 with a virtual collapse of chemical price levels in Europe — particularly in the field of olefins, which includes products like ethylene and its derivatives.

Anxiety about cheap U.S. *imports was fuelled* by Dow Chemical Europe, part of the American-based Dow group. Dow Chemical Europe has been well and truly caught by rising feedstock costs because most of *its naphtha and ethylene* is supplied on contracts that are closely related to spot market prices. Other companies obtain most if not all of their supplies on fixed contracts.

In early February Dow Europe announced that it would be trying to put up its product prices by between 20 and 30 per cent by the beginning of March.

What alarmed other chemical companies was that Dow said it would have to consider importing cheap product from the U.S. if it failed to raise and hold its prices in Europe. This threat was particularly galling to competitors because in the past Dow Chemical Europe has not hesitated to cut prices when low spot market prices have given it favourable feedstock costs.

Aggressive price-cutting by some companies has made the European chemical majors highly sensitive about any loss of market share. In the past *two months* a number of big chemical concerns have said they will stand by their planned price rises even if it does mean losing market share in some product areas. But these brave statements rarely carry conviction, particularly in view of the threat from cheap U.S. imports.

The Japanese are not under the same threat of cheap U.S. chemical imports but they have still been hit by the tightening of naphtha supplies. Japan itself has no spot market for naphtha and its chemical industry obtains most of its raw material supplies from Japanese oil refiners on long, fixed-term contracts.

This means that naphtha prices in Japan tend to be comparatively stable. The chemical industry there cannot take much advantage of really cheap naphtha when the Rotterdam spot price drops but on the other *hand it is not as badly affected* as Europe when feedstock costs *take off as they have done this* year.

Yet Japanese imports of naphtha are increasing. Some of the imported naphtha is bought on the Rotterdam spot market but some of it is purchased on one-year fixed contracts. As a result the Japanese chemical companies that rely on imported naphtha still tend to have greater protection against the peaks and troughs of the spot market than do their European counterparts.

But the general tightening of *naphtha supplies is hitting the* Japanese chemical industry's exports to South East Asia. Idemrtsu Japanese Oil says chemical companies simply do not have enough product to keep the South East Asia market supplied.

The dilemma of most chemical groups is that they want to raise their prices to improve their profitability: and they know they must do so in order to recover increased feedstock costs but they are not sure how high and how fast they can go without sacrificing market shares. There are a few companies that see feedstock cost rises purely as *a providential chance* to improve poor prices at a time of overcapacity but the majority feel that events have moved too quickly and too dramatically for comfort.

The news that Iran is planning to restart its oil production has helped to stabilise feedstock and base chemical prices. But it will be some time before Iranian oil starts flowing again into Europe on any scale—probably not before the third quarter of this year.

The "chaos" over naphtha will subside and most European chemical companies should find that increased raw material costs have provided them with the opportunity to boost their profitability. But feedstock supplies for the industry — notably naphtha—will almost certainly continue to be tight and the problems of setting chemical prices at the right levels—levels that are not so excessive as to *cause another downturn in the* market—will remain.

NAPHTHA; SOME DERIVATIVES AND END PRODUCTS

NAPHTHA (derived from crude oil)	Ethylene:	Plastic goods, Anti-freeze, Fibres, Pharmaceuticals, Detergents, Pesticides
	Benzene:	Plastic goods, Lacquers, Varnishes, Dyestuffs, Detergents
	Toluene:	Solvents, Polyurethane foam, Paints
	Xylene:	Solvents, Paints, Pesticides
	Propylene:	Plastic goods, Fibres, Polyurethane foams, Brake fluid

MEN AND MATTERS

Denis puts his head down

As chairman of the international Monetary Fund's interim committee, Denis Healey has, for the past two years, by turns charmed and bullied both his ministerial colleagues and the journalists who cover the sessions. He has always spiced his performance with a great deal of banter and humour.

But his performance is startlingly different in Washington this week. There is speculation that the big Treasury "leak" in London—on white elephant job-creation schemes—could be connected with his odd behaviour. For example, all journalists were banned from the eve-of-meeting cocktail party for delegates.

When they turned up on Tuesday night, they found embarrassed IMF information staff blocking their path to both the bars and the assembled ministers, backed up by some even more heavy-handed security personnel. Even the normally convivial members of the British delegation refused to say a word. Healey had personally issued the "no journalists" edict.

An official said: "It was felt *that some ministers might* be suffering from jet lag and not be quite up to answering questions on sensitive issues."

There were only two possible conclusions: one, that the ministers are cooking up something dramatic; this is always possible, but is not taken seriously as a likely prospect for this meeting. More likely is that Healey, the quondam lion of international financial gatherings, has elected — presumably for domestic reasons — to clam up.

The Chancellor's reluctance to see the Press has already been making itself apparent in London — and is infecting his officials. There have been scores of cancellations of appointments and lunches — clearly on orders from above and allegedly because of pre-Budget purdah.

"Care to wish your dustman an early Happy Christmas, squire?"

But there is more than a suspicion that last week's big leak has reinforced the Treasury's natural secretiveness. The irony is that Treasury officials are the most unlikely group in Whitehall to stage a deliberate leak — perhaps being a bit more conspiratorial might even help them. Could it be that the Treasury mandarins themselves—one of whom was named in the leak — have persuaded Healey into his uncharacteristic silence.

Mac-appeal

The deployment of Harold Macmillan's old-style charm on the Conservative's party political broadcast last night was not—as more cynical media-analysts might suspect—a wheeze by Saatchi and Saatchi. The Central Office was anxious to point out yesterday that the party's hired advertising men are merely the "expert end of the projection"; this time, their task was limited to cutting the best of Mac from his recent speech to the Young Conservatives.

So who thought of using him? I gather it was Gordon Reece, the Central Office director of communications—and he, naturally enough, is forever conferring with the leader. Perhaps Mrs. Thatcher has been much impressed with the tremendous play given to the photographs of her sitting on the floor beside Macmillan's armchair in the Carlton Club a month ago.

But if Saatchi and Saatchi had only a technical role in last night's image-making, they are exercising their creative skills at full pressure, I hear, on leaflets, posters and the like for the general election. Like SuperMac, of course, it is timeless stuff.

Moving music

Quite aprt from the Japanese government's anxiety to slough off its trade surplus, Japanese dealers have been taking an unusually strong interest in the London art market in recent months.

According to the New Bond Street auctioneers Phillips, the Japanese have of late moved on from their long obsession with the Impressionists, and are now snapping up Victorian paintings, Art Nouveau, and Art Deco, along with any examples of their own culture that they can lay their hands on.

But most noticeable of all, I hear, is the Japanese presence at sales of violins and pianos. "At our monthly sales of instruments as much as half the middle range is regularly bought by Japanese buyers," says Phillips. "There's a regular container service for violins — the bows are sent by air."

It seems the Japanese are ever-more musically-minded. So, while being an investment, the instruments will also be played. "When a child is born, the family is instantly showered with literature from the violin and piano dealers."

Leading the blind

For those who stand on the sidelines, EEC directives on sloe-juice (fresh and tinned) have their diverting aspects, but the deluge of Euro-paper on this and a multitude of other subjects is clearly telling on the nerves of Britain's would be Euro-MPs.

I hear a handful of them have approached a recently-formed organisation called European Community Investigation Services, for guidance through the thicket. Started by an energetic former academic and veteran of the film industry, Caroline Heller, ECI devotes itself entirely to processing EEC documents, about 10 selected pounds of them a day.

"Most Euro-candidates know absolutely nothing about what they have let themselves in for," says Mrs. Heller. "The *poor* things get literally tons of paper. (I don't think it's possible for them to cope unless they specialise.")

Pray silence

Switzerland's "Day of Prayer" *may be even quieter than usual* this year. The National Council, the country's Lower House, has voted in favour of banning all cars on the annual inter-denominational event.

The idea of car-free days took the fancy of some Swiss after 1973; driving was banned on Sundays for a time during the oil crisis. Last year a referendum was held on having 12 traffic-free Sundays a year, but was heavily voted down. Even the latest attempt is likely to be quashed by the States Council.

There is especially strong opposition in French-speaking Switzerland: one Vaudois parlia*mentarian said drily* the Federal Prayer Day does not count as a "day of contemplation" in his part of the world.

Second hearing

Heard from one waiting man to another outside a Wimbledon telephone kiosk: "She'll be ages yet, old boy—she's just changed ears."

Observer

هكذا من الأجل

ECONOMIC VIEWPOINT

Hopes, risks and a bit of theology

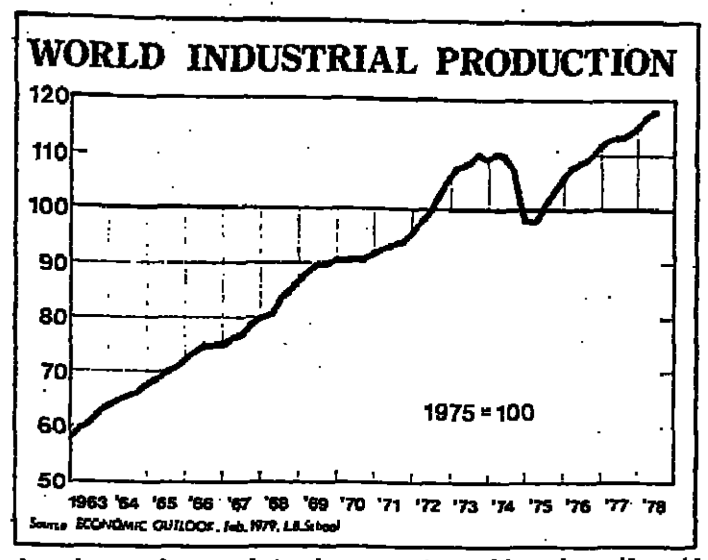
[T]HE OUTPUT of the 24 [c]ountries that make up the [O]ECD rose by well over 60 per [c]ent in the decade up to 1973. [I]n the following five years it [r]ose by not quite 13 per cent. [I]n other words during the most [r]ecent economic cycle the [a]mount of growth, allowing for [t]he time scale, was only [t]wo-fifths of that achieved [e]arlier.

In some individual countries, [s]uch as the UK, there was [h]ardly any growth at all. In all [c]ountries the retardation of [g]rowth of output per head was [g]reater than that of total GDP. [T]his was clearly a serious set[b]ack, even though measured [o]utput is not the same as human [h]appiness.

The slowdown in growth has [b]een associated with an increase [i]n recorded unemployment and [u]nused capacity. In the case of [G]ermany and Japan much the [g]reater part of the slowdown [h]as been attributed by OECD [t]o these forces, which it labels ["]cyclical." In the case of the [U].S. and the UK, far more of [t]he slowdown is attributed to a [s]etback to underlying produc[ti]vity growth.

Whether the greater apparent [m]argin of slack was the result of [a] policy aberration or a neces[sa]ry adjustment has been [fi]ercely debated. In any case, [o]ne might hope that the adjust[m]ent has already been made. [O]utput in the industrial [co]untries may now be on a lower [a]nd more gently sloping trend; [b]ut at least the transition from [th]e trend to the next should [h]ave been completed.

Output in the next few years [m]ight therefore to rise a good [de]al faster than in the excep[ti]onal and unfortunate 1973-78 [cy]cle now behind us. What can [sp]oil this relative improvement? [A] little thing called oil. The [w]orrying feature here is not [on]ly OPEC cartel decisions, but also where a free market price might go.



OPEC production in 1978 amounted to nearly 30m barrels per day. Any increased demand this year would have been met from other sources. Last year's ou tput was about 7m less than "sustainable capacity," according to a study from Greenwell's, the London stockbrokers by Mr. Peter Lilley. "Sustainable capacity" is a term of art, meaning the maximum output which experience suggests, could be produced for several months at a stretch. In fact, production ceilings maintained by Abu Dhabi, Kuwait, Saudi Arabia and Venezuela reduce this theoretical ceiling by over 3m barrels per day; and the absence of Iranian exports by a further 6m. There is thus a demand-supply gap of about 2m barrels per day.

If Iran resumes exports at the rate of 3m barrels per day, as many assume, there will once more be a surplus of demand over allowable capacity, but a very bare one. But what happens if Iran does not resume exports on this scale or if world demand is higher than expected, or if there is other trouble? Everything depends on the interpretation placed on the production ceilings. The most important of these is Saudi Arabia's, where a sustainable capacity of 10.4m barrels per day is reduced by ceilings to an allowable capacity of *8.5m*.

Conservation

If this is a deliberate margin maintained for cartel purposes, then the Saudi Arabians are in a position to limit, if they wish, the rise of the oil price in 1979 *to the 10 to 25 per cent range* widely assumed. But if there is also a conservation or technical element behind Saudi Arabian curbs, the "upside risk" is much greater. Clearly things have to go only slightly awry for there to be large market-induced price rises, or severe physical shortages, or both.

None of these constraints are permanent physical necessities. Both installed capacity and demand for oil respond to incentives. It is crazy beyond belief that so many supposedly free enterprise countries, among which the worst offender is the U.S., are holding their domestic oil prices so far below world levels. This is part of the cost for a counter-inflation philosophy that concentrates on the control of specific wages and prices, and neglects the role of variations of relative prices in allocating resources and providing incentives at a difficult juncture.

BUDGET THEOLOGY

IT IS ONLY fair to warn readers that this section of Economic Viewpoint leads up to a discussion of an unsolved theoretical problem, although it starts off with some straightforward points on the forthcoming British Budget. To some extent the shape of the Budget is already determined by the Chancellor's of t-repeated pledge to put a limit of £8.5bn on the Public Sector Borrowing Requirement. But that still *gives him a certain room for manoeuvre.*

To begin with, ministers and top officials who disbelieve the PSBR forecasts always have some slight scope for asking for them to be redone on different economic assumptions. On this occasion the effect of cash limits on government spending is a large new unknown. The Chief Secretary, Mr. Joel Barnett, has said that expenditure limits will be less than fully adjusted to rising wages and prices. Forecasters can be more or less optimistic about how much to allow for in back-door public spending cuts by this route.

In addition, Mr. Healey can budget for the full £8.5bn *after* policy changes; or he can go for say £8bn, or slightly less, to give himself a safety margin. Taking everything together, the Treasury has a discretionary margin of at least £2bn to play with in deciding how much extra revenue to raise on Budget Day (April 3). As might be expected the usual arguments between the "doves" and the "hawks" have broken out inside Whitehall.

The arguments of the doves will be obvious enough. The official economic forecasts showing a slowing down of the growth rate and a renewed upward creep in unemployment. Moreover the commitment to a tough budgetary stand was made when the Government had difficulty in financing its borrowing.

The replies of the hawks take many forms. They can point to the abysmal record of fine-tuning and the arguments for a steady and gradual decline of public sector borrowing. They can query the view that output is held up by a demand rather than a supply constraint. Moreover, despite recent gilt sales, a high PSBR can still raise doubts about achieving the monetary targets. There is now a good deal of evidence that increases of the inflation rate boost personal savings and can thus have a deleterious effect on real spending and employment—the opposite of what the doves wish to see.

But the *theoretical point* I want to raise concerns a rather different argument against a high British borrowing requirement, when this is seen in an international context. The argument is not primarily concerned with inflation, but has everything to do with "deindustrialisation" and the way in which North Sea oil has been used to finance consumer spending rather than industrial investment.

Let us start from the platitude that the balance of payments must balance. If there is no official intervention, the balance can be divided into three parts: the current account (popularly but wrongly known as *the* balance of payments), the long term capital account and short term capital movements (including those of a speculative kind). The sum of these three components is zero.

The normal assumption is that the current account is given by God or by government policy. Capital flows, short or long, have to bridge the gaps.

My suggestion is that one should look at matters the other way round. In other words the balance of long term capital movements is the driving force and the current account the residual. If domestic investment exceeds a country's savings, then there is a capital inflow from overseas, giving a capital account surplus. The exchange rate then rises, *relative to cost levels*, and an offsetting current deficit is generated. Conversely, if domestic investment falls short of savings, there is a capital outflow, the exchange rate falls, and a current surplus is generated.

Small part

What has all this do with the British budget? The usual assumption is that if the Chancellor borrows more, but sticks to his monetary targets, then domestic interest rates will rise. This is not so credible an assumption if one looks at the world capital market, where the demands of the British Chancellor are a very small part of total borrowing. If the UK Treasury increases its borrowings, any deficiency in domestic savings can in stable conditions, be made up by attracting inflows from abroad with only a miniscule rise in interest rates.

Is this then not an argument for the doves? Decidedly not. For an inflow of funds will, for the reasons just mentioned, raise the exchange rate relative to cost levels, push the current account towards deficit and thus make exports and domestic investment less profitable. The qualification "relative to domestic costs" is important. For the argument basically concerns the real economy, not inflation rates.

The idea that a lower PSBR will depress the real sterling exchange rate and a high one boost it may seem "counter-intuitive." This is because past periods of high public sector borrowing have been associated with grave doubts about the future course of monetary policy and the inflation rate. Thus announcements of a high PSBR have led overseas investors to be dissatisfied with existing rate of return on sterling assets and to withdraw their funds until nominal interest rates were raised to crisis levels. These confidence effects then swamped everything else. Entirely different considerations apply in condition of monetary stability once variations in the PSBR are no longer expected to affect the money supply or the long-term inflation rate.

The underlying argument is seen if one thinks of an upsurge of UK corporate demand for finance—of which incidentally there are now many signs. This tends to attract funds to London and to raise the real sterling exchange rate. A drop of corporate demand would on the other hand attract fewer overseas funds and therefore mean a lower real exchange rate. A low PSBR would work exactly the same way.

The above argument makes no allowance for interest rate policy on the grounds that it is not, except in a temporary sense, under Government control. There is, of course, no single "world" interest rate; but there is a world pattern in which different national rates are related by expectations about inflation and about exchange rate movements and also separated by things such as exchange control.

Offsetting

But whatever the effect on the exchange rate, will not a low PSBR—whether achieved by economies in public expenditure or higher taxes—mean less domestic spending and therefore recession? The normal monetarist answer is that lower interest rates and less borrowing from the public will offset any adverse effects on real spending. But in a more international context, it may not be so much interest rates as the real exchange rate which will be lower with a small PSBR; and the offsetting boost will come from larger net exports and better profit margins.

It would be better if one could draw on some rigorous professional discussion of these abstruse matters. I tried in vain to stimulate such a discussion last time sterling was rising in 1977 (*How Budget Deficits Matter*, October 6, and *The Effects of Budget Deficits*, November 7). But nowadays professional economics seem to follow rather than lead newspaper discussion:

In practical terms, I am not calling for a balanced budget or a draconian change in fiscal policy. The point is that if the Chancellor sticks to his £8.5bn limit or slightly less, he will not thereby be "clobbering the economy," but merely clobbering a very out-dated conventional wisdom—a very different matter.

Samuel Brittan

Letters to the Editor

Finance for industry

[Fr]om Mr. M. Gould.

Sir,—Before the appearance [of] the article by Michael [La]fferty (March 2) entitled ["L]easing growth 'crisis' warn[in]g" one could have been for[giv]en for believing that the [du]bious claims of fringe motor [car] lessors and the rash of cor[res]pondence on the why's and [th]erefore's of the tax influence [ha]d faded into obscurity. Cer[tai]nly vehicle leasing continues [to] be a popular method of fleet [fin]ancing but surely there can [no] longer be any doubt in any[bo]dy's mind as to the Revenue's [att]itude to possible benefits [ext]racted from doubtful [arr]angements foolishly entered [int]o to obtain the use of ["e]xotic," or for that matter any [oth]er sort of car. The result [qu]ickly seen to follow the ex[po]sure given by the Press some [mo]nths back was that the [fin]ance industry policed itself [an]d for the most part swept [aw]ay the earlier unsavory [as]pects of its vehicle leasing [tra]de. Naturally, there will also [be] the rogues and the rogue [deal]ers but as to the latter "caveat [em]ptor" must apply.

Michael Lafferty and his un[na]med bank are absolutely [ri]ght in reporting the growth in [lea]sing that has taken place in [thi]s country in the last two or [th]ree years. As indicated most of [th]e growth has been fuelled by [su]bsidiaries or associates of our [ba]nking sector anxious to take [ad]vantage of the tax allowances [av]ailable. What appears to be [th]e root of the current com[pla]int is that others with avail[ab]le funds not necessarily in[vol]ved in the banking business [ar]e also seeking to shelter their [ta]x liabilities. Most of those in[vo]lved would, I am sure, have [be]en directed by their profes[sio]nal advisors to utilise the [se]rvices of one of the several [lar]ge and reputable companies [tha]t offer leasing management [ex]pertise every bit as competent [an]d knowledgeable as that [av]ailable within the banks them[sel]ves. Indeed certain leasing [ma]nagers are associates of the [co]untry's leading banks and [fin]ance houses.

What may be overlooked is [th]e social and economic benefit [th]is bringing together of money [an]d equipment has produced. [Tr]ue it is not philanthropy [th]at encourages the high [in]dividual tax payers or profit[ab]le companies into becoming [le]ssors. We must recognise, [ho]wever, that funds that might [ot]herwise be locked away in [ba]nk deposit accounts or [in]vested directly in stocks and [sh]ares are being channelled [th]rough the lessors of plant [an]d equipment into industry. In [pa]rticular it is very noticeable [ho]w much influence leasing is [ha]ving in the rapid intro[du]ction of computer equipment [an]d computorised systems. [E]quipment which may never [h]ave been capable of being [ac]quired by a manufacturer [w]ho would otherwise rely [so]lely on his own financing or [th]at of his bank, is now avail[ab]le to the industrialist [th]rough the agency of leasing. [It] is this matching of supply [an]d demand for finance that [ac]counts for the growth in [le]asing. Clearly we would not [h]ave seen development of [le]asing to the present level had [it] not been for the needs of [b]usinesses in this field.

While the particular situation [r]elevant to the tax position on leasing higher priced motor cars has undoubtedly influenced the growth of this particular sector it must be remembered that the first year allowance system is available to both the manufacturer who buys his equipment outright and the lessor who rents a similar item. The lessor is thus only obtaining the same allowance that could have been obtained by his manufacturing lessee had the latter wished to finance the equipment from his own resources.

By all means let the Revenue tighten the rules on the leasing of motor cars. Just a clearing away of anomalies would be welcomed by most but please do not encourage the authorities to change the very system that is helping industry to modernise.

M. P. Gould,
Johnston House,
8 Johnston Road,
Woodford Green,
Essex

Leasing growth

From Mr. A. Barnes

Sir,—In his article, "Leasing growth 'crisis' warning" (March 2), your Banking Correspondent refers to the warning given, by one of the clearing banks to the Bank of England, of a new secondary banking-type crisis. The warning stems from a car leasing tax anomaly and the recent growth in leasing of the non-financial company lessor.

Where car leasing is concerned, the Inland Revenue, in its Press release of July 26, 1978, set out details of the taxation provisions that exist to deal with, what are termed "Variations from the traditional provisions of car leasing." In acting so promptly, the Inland Revenue indicated that it was aware of fringe leasing schemes and was equipped to deal with any anomalies that might arise.

Perhaps the real anomaly of car leasing in the UK is that banks, and their finance house subsidiaries, have become so involved. In those markets where car leasing is more established and sophisticated, it is essentially a service-based industry and its main expansion has been through the development of specialist car lessors.

In respect of the growth of the non-financial lessor, some of whom are now well established, it is unlikely to lead to a "collapse." These lessors have proved their success in the commercial world and have competent staff and outside financial advisers who, between them, have fully evaluated the financial and other risks, as well as the tax implications of an involvement in leasing. Undoubtedly, recent Press reports that various banking lessors have not made a full provision for deferred tax, will have caused some puzzlement, but most, if not all, of the new lessor companies will adopt the recommendations of the Equipment Leasing Association and make a full provision for deferred tax.

Emergence of new responsible lessors should be welcomed, especially at a time when the country requires an increase in industrial investment. The newcomers will give a strong merchanting thrust to UK leasing and will, perhaps, help the industry to achieve a comparable marketing penetration to that achieved by leasing companies in the United States of America.

A. R. Barnes.
St. Alphage House,
2, Fore Street, EC2.

Advertising on the BBC

From Mr. J. Bescoby

Sir,—I have long wondered why the BBC did not accept the logic of selling advertising time and Mr. Mahoney (February 26) has stimulated my thoughts on the matter.

Of course the BBC establishment will protest (supported by those politicians to whom all things commercial are anathema) that selling advertising time equals a lowering of standards. I *do not* believe, however, that the equation is valid. The BBC (unlike the programme companies operating within the IBA) could be allowed to make its own decisions about the quantity of time it would sell (perhaps constrained by a legal maximum), about the frequency and arrangements of advertisements and, above all, about content. In this way the BBC would be entirely responsible for maintaining its own standards.

Such a move provides a way out of the corporation's perennial financial difficulties and would also enable it to pay competitive salaries.

J. H. Bescoby,
(Senior Lecturer in Industrial Relations),
The University of Newcastle-upon-Tyne.
Stephenson Building,
Claremont Road,
Newcastle-upon-Tyne.

Creditors and capital

From Mr. J. Dover

Sir,—It appears that trade creditors wish protection from banks which take security for advances to customers for working capital and thus rank ahead of suppliers in bankruptcies and liquidations.

Why *do* suppliers compete vigorously to grant unsecured credit? Why do banks need security?

Trade credit of £100,000 engenders turnover of over £860,000 if a normal six weeks credit is taken. Assuming a gross profit of say 33⅓ per cent and direct costs of obtaining the turnover of say 18⅓ per cent, a supplier retains marginal profit of 15 per cent i.e. £129,000. Marginal profit of only 10 per cent will leave £86,000. At current interest rates a bank makes £10,000-£14,000 on an overdraft fluctuating up to £100,000.

Thus it can be seen that a supplier makes up to 130 per cent (and perhaps more) per annum on the capital risked in the hands of its customer as compared to a bank's 10 per cent-14 per cent. The bank has little margin for loss of capital, surely.

John H. Dover,
9 Greenhill Avenue, Giffnoch,
Glasgow.

Religious beliefs

From Mr. D. O'Brien

Sir,—Justinian (February 26) asks how many of your readers would regard blasphemy as an offence against the tranquillity of the Kingdom and I for one must answer that I do so regard it.

Is Justinian so out of touch that he cannot appreciate, as Lord Scarman can, the desire of so many people in this country to have their religious beliefs and feelings protected from "scurrility, vilification, ridicule, and contempt."

In contrast to Justinian's conclusions I agree profoundly with Lord Scarman's conclusions that "it would be intolerable if by allowing an author or publisher to plead the excellence of his motives and the right of free speech he could evade the penalties of the law even though his words were blasphemous in the sense of constituting an outrage upon the religious feelings of his fellow-citizens."

It is not enough for any man in any area of society subjectively to plead free speech and excellent motives in defiance of the law. We have seen where this can lead. The rule of law exists for the whole Kingdom and society is not assisted by pretending, as Justinian suggests, that "abolition of the crime" removes the offence.

D. O'Brien.
Nab Cottage, Shrigley Road,
Pott Shrigley, Macclesfield,
Cheshire.

Electrifying the rails

From the Secretary,
British Transport Officers' Guild

Sir,—The report (February 27) of the views of the British Road Federation of the options for further electrification of British Rail's network makes rather depressing reading for anyone who wants to see a more strategic approach to transport investment.

It is clear that some fundamental changes will be required in the total transport system of the country in the foreseeable future, because the supply of oil is finite and nobody is sure of future pricing policies of the Organisation of Petroleum Exporting Countries. The fact that serious consideration is being given to proposals by British Rail that would have a significant impact on the country's demand for oil should surely be welcomed.

There is no doubt that any spending on further electrification will be subject to serious Government scrutiny and many of the principles laid down by the Leitch Committee, e.g., cost benefit considerations for road/rail investment will be followed. We cannot accept British Road Federation's inference that such studies will not be carried out.

The essential point however, in this exercise is that there is at least the opportunity to integrate and develop British Rail's rather piecemeal electrified system, and in so doing establish a more efficient railway and a sound strategy for the first time for many years.

In the Guild's view, therefore, railway electrification is not just a very large project, but the start of rethinking the nation's total transport policy, a review which is long overdue.

J. C. Rogers.
Room 307,
West Side Offices,
King's Cross Station, N1

Today's Events

GENERAL

UK: National Union of Mineworkers' executive meets to discuss pay offer and whether it should be put to ballot.

Power workers in pay talks with Electricity Council.

British Steel Corporation meets TUC steel committee on Bilston closure.

National Consumer Council statement on shop opening hours and Sunday trading.

Overseas: President Carter arrives in Cairo for talks with President Sadat of Egypt.

OFFICIAL STATISTICS

Provisional figures of vehicle production for February. Fourth quarter construction output. January housing starts and completions. Survey of short-term export prospects (to third quarter, 1979).

PARLIAMENTARY BUSINESS

House of Commons: Supply day. The question will be put on all outstanding estimates and votes. Debate on Employment Protection Act.

House of Lords: Social Security Bill, third reading. Carriage by Air and Road Bill, committee stage. Vaccine Damage Payments Bill, second reading. European Assembly Elections regulations. House of Commons (Redistribution of Seats) Bill, report stage. Northern Ireland Orders.

Select Committee: Nationalised Industries, Sub-Committee D. Subject: Consumers and Nationalised Industries. Witnesses: Electricity Council, National Water Council. Room 8, 4 pm.

COMPANY RESULTS

Final dividends: Corah. Derek Crouch. Davies and Metcalfe. Fife Forge Company. Goode Durrant and Murray Group. Harris and Sheldon Group. Lex Service Group. Midland Bank. Needlers. New Equipment. Royal Dutch Petroleum Company. W. N. Sharpe. Shell Transport and Trading Company. Tavener Rutledge. **Interim dividends:** Galliford Bridley. Hunt and Moscrop (Middleton). Staffordshire Potteries (Holdings). Strong and Fisher (Holdings). United City Merchants. **Interim figures:** Plessey Company.

COMPANY MEETINGS

Charter Trust and Agency, 20 Fenchurch Street, EC, 2.30. T. Cowie, Milfield House, Hylton Road, Sunderland, 12. Finlas Holdings, Fison Way, Thetford, Norfolk, 11.15. Grand Metropolitan, The Lyceum, Wellington Street, WC, 11.30. Lonrho, Grosvenor House, Park Lane, W, 12. Tate and Lyle, Europa Hotel, Duke Street, Grosvenor Square, W, 11.30. Watson and Philip, Angus Hotel Marketgait, Dundee, 12.

Woolworth reaches £53m after final quarter boost

FOURTH QUARTER profits of F. W. Woolworth, the stores and supermarket group, surged by 16.75 per cent to £30.07m taking the total for the year ended January 31, 1979, up by 13.5 per cent to a record £53.1m. The group also announces that a professional revaluation of property has thrown up a surplus of £266m which has been added to reserves.

Sales for the year rose by 14 per cent to £875.2m—the trading margin was slightly down at 6.4 per cent (6.6 per cent). In the important final quarter, which includes Christmas, sales went up by 15.8 per cent. At the nine-month stage the directors said that, given a continuance of current consumer spending in the final quarter, they expected the annual profit to exceed that of 1977-78.

The directors state that trading prospects will depend greatly upon how long the recent consumer spending level is maintained. However "the country's economic climate would appear to be now less certain and a higher inflation rate a real prospect."

They report that the group is well placed on stock availability to cater for any increase in its market share as a result of a switch by consumers to credit in conditions of firmer control.

After a much reduced tax charge of £12.58m compared with £22.14m net profit comes out at £40.25m against £24.65m and earnings per share are stated at 10.72p (6.52p).

The dividend total is increased from 4.175p to 4.47p, with a final of 3.245p.

On the tax charge the directors explain that provision has only been made for deferred tax arising on short term timing differences to conform with the change in accounting policy. Last year's figure has been restated on the same basis. This year's tax charge has also been favourably influenced by an increase in stock relief.

The net profit is before taking into account foreign currency losses of £357,000 (£933,000) and extraordinary debits of £781,000 (credit £554,000). Included in extraordinary items is an amount of £1.8m write down of the group's interest in the Rhodesian subsidiary. This sum is required to reduce that investment to the level at June 30, 1969, when management control ceased to be exercised from the UK and this treatment conforms with SSAP 14.

	1978-79 £000	1977-78 £000
Turnover	875,185	767,940
Deduct VAT	51,793	43,841
Leaving	823,392	724,099
Trading profit	64,474	58,630
Depreciation on fixed assets	8,475	7,956
Net interest paid	4,834	5,268
Invest. and rent inc.	1,442	1,117
Surplus on property	497	257
Profit before tax	53,104	46,780
Tax	12,584	22,135
Net profit	40,520	24,645
Currency differences	357	933
Extraord. debit	781	†554
Profit	39,382	24,266
Dividends	16,900	15,785
Retained	22,482	8,481

† Credit.

See Lex

HIGHLIGHTS

Lex considers the full accounts from ICI. Record capital spending at a time of lower profits led to a large cash outflow last year and another drain on cash looks likely in 1979, while the company has problems passing on raw material price increases in the petrochemical field. At Woolworth, profits are up 13½ per cent to £53.1m and a property revaluation doubles shareholders' funds. Finally Lex examines the market with the All-share Index reaching new peaks and the Ordinary Index poised to go through 500. Elsewhere, Kode has produced a good profis jump thanks to a good all-round performance, but Nu-Swift has been held back by start-up costs.

AC Cars early difficulties

Assessing prospects for A.C. Cars Mr. W. D. Hurlock, the chairman, says that trading in the early months of the current year has been difficult and much will depend on the group's ability to rapidly increase car production to meet demand.

Production of the new ME 3000 is now well under way and initial deliveries are being made to approved dealers and customers. The group is still, however, having great difficulty in getting skilled labour.

In the year ended September 30, 1978, group profit before tax amounted to £206,085 (£218,456). The directors explain that the past year has been a very difficult one for the parent, the bulk of profits having been contributed by recently acquired subsidiaries. Pem Trailers and Unipower Vehicles. Net margins are again reduced but earnings per share are ahead from 5.39p to 5.61p reflecting a reduced tax charge.

The chairman looks forward to increased profit contributions from the new acquisitions in the current year.

Meeting, Thames Ditton, March 28 at 4 pm.

Woodward & Son slips to £558,661

ALTHOUGH TURNOVER was better at £10.01m against £9.6m, taxable profits of H. Woodward and Son slipped from a peak £575.475 to £558.661 for the year ended September 30, 1978. At midway, the surplus was down from £223.141 to £215,663.

Full year profits included £9,006 (£4,071) on sale of fixed assets, and reduced profits from subsidiaries of £47,802 (£93,633).

Stated earnings were slightly lower at 19.7p (19.78p) per 12½p share, but the dividend total is lifted from 1.87p to 2.057p net, with a 1.557p final.

The group's interests are in commercial vehicle distributing and bodybuilding, car dealing, industrial plant distributing, civil engineering contracting and metal fabrications.

Attributable profits rose from £439,002 to £473.641, after tax of £81,646 (£91,927), minorities, and extraordinary debits last time of £36,491.

Extraordinary items comprised £39,000 goodwill written off, partly offset by a £2.509 balance of disturbance claim.

Spain upset for Nu-Swift

PROFITS IN the UK improved by 13.3 per cent to reach £1.03m for Nu-Swift Industries, fire-extinguisher maker, in 1978. However, chiefly because of the cost of establishing and operating a marketing company in Spain, amounting to some £153,000, group taxable earnings were down from £908,009 to £853,741.

Lower tax of £299,328 (£475,264) enabled the company to show a £121,668 advance at the net level to £554,413.

At halftime profit was better at £551,000 (£514,000) and the directors forecast a record intake of orders in the second six months. Sales for the year emerged 19.75 per cent up from £9.14m to £10.95m and world order intake rose 18.3 per cent. Home market sales were 20 per cent ahead, with residential smoke detector sales growing by a third.

Mr. I. Dorr, the chairman, now says that the company should enhance the penetration of its markets in 1979 and the directors are planning for greater profits and earnings. The cash position is expected to remain comfortable over the 12 months and production has been fixed at higher levels.

The company's UK sales and service division has been considerably strengthened and overseas activities remain strong. In the current year, which produced a £1,336 (nil) profit in 1978, Holland and Spain should all trade profitably. Altogether he forecasts an additional £225,000 contribution to group profit from direct overseas investments.

A second net interim dividend of 1.023p lifts the total to 1.748p (1.566p).

The extreme January and February weather in Britain and the rest of Europe had some adverse effect on sales. Even so orders were slightly up. The group began 1979 with an order book of £0.84m.

Mr. David Hunter, associate director and home sales manager of Nu-Swift International, has been elected to the Board of that company and Nu-Swift Industries and appointed export sales director. In addition Mr. Michael Cotton the group's chief development engineer becomes associate director of Nu-Swift International.

	1978 £	1977 £
Pre-tax profit	853,741	908,009
UK	1,029,352	908,009
Switzerland	1,336	—
Spain, loss	153,403	—
Overseas stock adjustment	23,544	—
Tax	299,328	475,264
Net profit	554,413	432,745
Minorities	30,115	—
Brought forward	908,061	938,516
Making	1,492,589	1,371,261
To general reserve	600,000	—
To replacement reserve†	145,000	150,000
Dividends	349,600	313,200
Leaving	397,989	908,061

† Fixed asset replacement reserve.

● comment

Start up costs, taken above the line, may have held Nu-Swift Industries back last year but the group is going for an additional £225,000 profit contribution from the fledgling overseas marketing network in 1979. Elimination of Spanish losses would be worth a further £153,000 so the base for current year forecasts must be around £1.4m, even assuming nil growth in the home and export markets. Domestic sales improved by a fifth last time while overseas sales rose by 17 per cent and, while the adverse weather conditions have held back sales in the UK and most parts of Europe in January and February, demand appears to be holding up well. After a flattish performance over the last six years, the profits graph could be set for a marked upturn in 1979 but at 30p, down 2p yesterday, the shares are still discounting much of the anticipated improvements on a fully taxed historic p/e of 15.3 or 11 on stated earnings. A yield of 9 per cent may offer some support.

Blundell-Permoglaze ahead and confident

OUTLINING prospects for the current year of Blundell-Permoglaze at the annual meeting yesterday, chairman Mr. N. G. Bassett Smith said by the end of four months profits were ahead compared with the same time last year.

And predictions, which had been reviewed recently, confirmed the budget forecasts; and the chairman expressed his confidence that the year's outcome would be successful as long as there were no further upheavals outside the company's control.

The problems and difficulties posed by the lorry drivers' strike in January were mitigated. The group was helped greatly by an excellent start to the year achieved in November and December and it returned to normal profitability during February.

The chairman referred to the rejection by the Treasury of the company's application, based on profits expansion, further to increase the dividend. He said: "We believe, and our case is based on this, that stock appreciation tax relief should be excluded from the cover formula as this relief was introduced specifically to strengthen company liquidity. It should thus not be regarded as available for distribution.

"I hope that we may still persuade Government to adopt a commonsense attitude on this subject. Should our efforts be successful, I can say that your Board would not hesitate even at such a late stage to recommend the payment of an additional dividend in respect of last year."

St. Piran calling EGM for March 30

BY JAMES BARTHOLOMEW

The board of Saint Piran, the controversial mining and building group, has responded quickly to the requisition of an EGM to remove the existing directors.

An EGM has been called for March 30 at Winchester House, London Wall.

Recommending shareholders to support the existing board, Saint Piran alleges a link connecting some of the people who have requisitioned the meeting. The directors say that Mr. Max Lewinsohn and Mr. R. H. Morley, two of the proposed replacement directors, have a connection with Mr. Thomas Scrase, a partner in Gittins and Co., and Mr. Robert Morrison, chairman of Planned Savings. Mr. Scrase and Mr. Morrison are said to be the directors of Burma Mines which has invested in a subsidiary of Dundonian, of which Mr. Lewinsohn and Mr. Morley are directors.

"In this respect it is relevant to have regard to the fact that Mr. Scrase was censured by the Take-over Panel for failing to ensure sufficient funds for the abortive take-over of Court Hotels in which Mr. Morrison was once a director," says the board. Saint Piran also directs shareholders to articles which have appeared in the Press about Mr. Scrase and Gittins and Co.

The Board asks for shareholders' help to "prevent the requisitionists replacing your experienced and highly qualified Board with directors who are less experienced and qualified in relation to your company's business." Profits over the past five years have risen from £0.2m to £3.0m, it says. "This record speaks for itself."

Replying to Saint Piran's allegations, Mr. Lewinsohn said yesterday that Mr. Scrase and Mr. Morrison were only two out of 50 requisitionists; that none of the five proposed new directors had had any dealings with Planned Savings or Gittins and Company; that none of the five have any common directorships with Mr. Scrase or Mr. Morrison, and that four out of the five do not know these two men.

The investment by Burma Mines in a subsidiary of Dundonian was the full extent of Mr. Lewinsohn's own previous dealings with them. Saint Piran had made a mountain out of a molehill, said Mr. Lewinsohn. He added that Saint Piran had not answered the points made in his own circular and that the short notice of the EGM would effectively disenfranchise small shareholders in the Far East because of the likely postal delays. He urged Saint Piran shareholders to do nothing until they hear further from him and his colleagues.

LMI wins Caledonian approval with 159p

BY ARNOLD KRANSDORFF

IN YET another attempt to gain control of Caledonian Holdings, the board of London and Midland Industrials yesterday won approval for a revised offer worth 159p per share—3p per share more than rival bidder Comet Radiovision Services.

This is Caledonian's fourth bid approach since it came to the market just over five weeks ago, and the third it has recommended to its shareholders.

The latest offer puts a pricetag on Caledonian of £15.9m which is £9.4m more than Stenhouse, the original owner, obtained through the offer-for-sale. Last night Caledonian's shares closed 7p higher at 155p.

Caledonian's first bid approach, which was rejected outright, was pitched at around 84p per share and came from LMI just 24 hours after the company's debut.

Two weeks later Caledonian accepted an increased bid from LMI worth around 132p per share after Comet had indicated that it was seeking a recommendation to an offer worth 110p.

Just over a week ago, Comet stepped in with a recommended bid then worth about 150p per share, with a cash alternative of 148p. Comet, which holds almost 30 per cent of Caledonian's share capital, said yesterday that the company was studying the situation. Terms of the revised offer are one LMI share plus 50p cash for each Caledonian share, with a cash alternative of 162p per share.

Full acceptance will involve the issue of 7.05m new LMI shares and the payment of £3.53m cash.

Under LMI's previous deal, Harris Queensway had agreed to buy Timberland (the retail element of Caledonian's home improvement division) for £5m. In addition Harris would have paid off Timberland's £2m debt to Caledonian.

According to LMI, Harris has now agreed to increase the purchase price of Timberland from £5m to £5.5m as well as discharging the £2m debt. Shares of Harris yesterday jumped 16p to 324p.

Timberland, which earned pre-tax profits of £0.46m during the year ended September 30, 1978, will continue to market Caledonian's kitchen units under a two-year agreement with LMI.

LMI says that the revised offer and the agreement with Harris is expected to produce an increase in the company's earnings per share of about 15.6 per cent. On the cash basis, the total acquisition cost, including the near 30 per cent of Caledonian's shares already owned by LMI, amounts to about £12.5m.

LMI and Harris have given assurances that the existing employees of Caledonian will continue in employment on terms no less favourable than those at present enjoyed. LMI says it intends to retain and develop the activities of Caledonian other than Timberland.

Mr. W. R. Burns, Caledonian's chairman, will join the LMI Board following the revised offer becoming unconditional.

The directors of Caledonian intend to accept the LMI offer in respect of their holding of nearly 2 per cent.

Timberland has also given its support for LMI's agreement with Harris, they add.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Cornel Dresses	0.8	April 27	nil	0.8	nil
G. H. Downing ......int.	2.75	April 20	*2.5	—	*5.79
Family Investment	2.85	May 3	2.35	4.6	3.85
First Guernsey Secs.	3.5	May 3	*3.06	3.5	*3.06
Laurence Gould	0.85	April 17	—	—	—
Kode Int.	3.41	—	3.05	5.25	§4.75
Nu-Swift ......2nd int.	1.02	April 4	0.91	1.75	1.57
Updown Inv.	1.3	April 3	1.75	1.3	1.75
Westwood Dawes	nil	—	3.44	nil	3.44
H. Woodward	1.56	April 20	1.37	2.06	1.87
Woolworth	3.25	—	2.95	4.47	4.18

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡As forecast in June, 1978, placing. § Including 0.046p supplementary.

Cornell recovers to £127,840

A RECOVERY in taxable profits from £23,101 to £127,840 in 1978 is reported by Cornell Dresses, on higher turnover of £1.92m against £1.57m.

In 1975, pre-tax profits were £124,858 before slumping to £28,028 the following year. In the 1978 half-year, there was a profit of £45,503 compared with a £33,893 loss.

After tax of £49,863 (£6,028), stated earnings in 1978 are shown to have risen from 0.57p to 2.06p. There is a dividend of 0.8p net per 5p share—the first payment since the 1976 interim of 0.3p. In his annual statement last year, the chairman said the Board looked forward with confidence to a speedy restoration of dividend payments.

Year starts well for Kode after 45% profits jump

AFTER AN advance of 45 per cent in pre-tax profits in 1978 Kode International has started the current year well. In the year to December 31, the group hoisted taxable profits from £864,408 to £1.25m on turnover well ahead at £7.52m, against £5.31m.

In the first 28 weeks the group turned in a taxable surplus of £608,025 (£402,082). Mr. Dennis Tudor, chairman, said in his interim report that the trend to a more even spread of profits throughout the year had continued, and was expected to be reflected in the remainder of the year.

Mr. Tudor says the opening orders for 1979 show an increase of more than 25 per cent over those for the corresponding position in the previous year.

But he adds that the state of the market makes it difficult to predict the year's outcome. The group intends to pursue a policy of organic growth and continues to seek acquisition opportunities at home and abroad.

Treasury permission has been given to lift the final dividend to 3.405p per 25p share, and there is a supplementary dividend of 0.046p for 1977. This makes a total for the year of 5.2475p, compared with 4.746p.

After tax for the year of £217,825 (£100,593) and dividends of £230,204, against £203,474, unappropriated profits are up from £560,341 to £802,142. Stated earnings per share are ahead from 19.5p to 23.75p.

Shareholders funds stand at £3.34m (£2.53m).

Mr. Tudor says that during the year the group attained its growth and investment objectives.

The group's interests are in computer peripheral equipment, printed circuit boards and electronic components.

● comment

Kode's 45 per cent pre-tax profit jump is solidly based on strong growth in most operating divisions. The printed circuits subsidiary, Kam Circuits, doubled both sales and profits while Kode Ltd (computer peripheral equipment) doubled sales and lifted profits from around £200,000 to just over £300,000. Introduction of a new range of peripheral equipment took the edge off operating margins but the benefits are expected to flow through this year. Moore, Reed, the electronics components manufacturer, enjoyed modest growth but faced uncertain markets—mainly military—rising materials costs and growing pressure on margins, largely from wage increases. The outlook for the current year is reasonably bright, with opening orders 25 per cent above last year's level and disruption from the bleak weather and transport strike very limited. The shares jumped 9p to 194p yesterday giving a p/e of 8 and a yield of 4.1 per cent.

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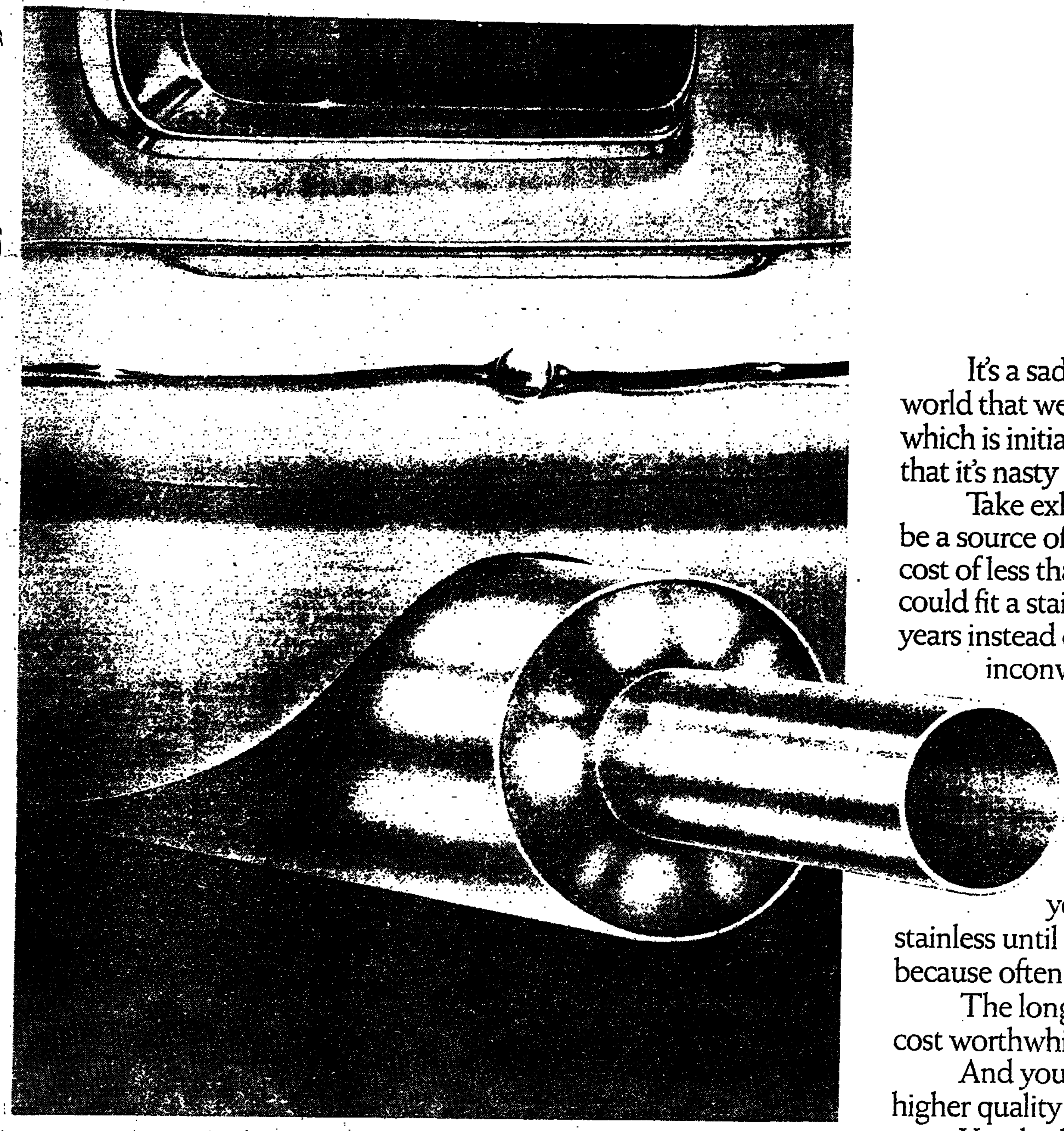


It's doomed to non-stop grit, filth, boiling gases and scalding acids. Why doesn't it care?

It's a sad reflection on this modern throw-away world that we are too often prepared to buy something which is initially cheap, only to find before very long that it's nasty too.

Take exhaust systems. As you may know, they can be a source of trouble and expense. Now, for an extra cost of less than £10 on a £5,000 model, car makers could fit a stainless steel exhaust which would last five years instead of two. Think of the savings in money, inconvenience and blood-pressure this would bring.

So if you are involved in designing with steel or aluminium, brass, or copper, think again about stainless.

Of course, it can cost more initially. And by increasing the materials content, you push up your price. But don't dismiss stainless until you've done your sums right through, because often you'll find two things.

The longer life of the product makes the added cost worthwhile.

And you gain the two extra selling points of higher quality and cheaper maintenance.

Yes, think again about stainless. Find out the current facts about our range of thirty different types. And remember, our back-up service is always at your service, particularly in matching the performance of our steels to your exact needs.

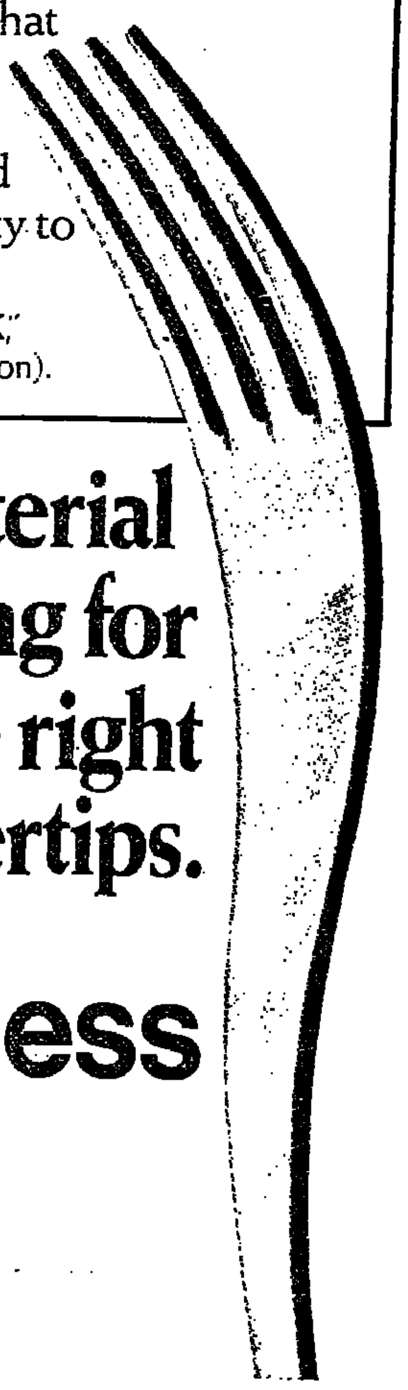
Write to Mike Whitecross,
BSC Stainless Marketing, PO Box 150, Sheffield S9 1TQ.

The cost of corrosion The Hoar Report* estimates Britain's losses from corrosion as costing us a horrifying three-and-a-half thousand million pounds.

Much of this loss is preventable. Stainless steel is the supreme example of an existing material that must be used more fully for its superb resistance to corrosion.

And British Steel has already invested £130 million in plant to double our capacity to supply it.

*"A Survey of Corrosion and Protection in the UK," published by the D.T.I. in 1971 (figures adjusted for inflation).



The material you've been looking for could be right at your fingertips.

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Companies and Markets

UK COMPANY NEWS

ICI sees £157m cash outflow in year of record capital spending

TOTAL CAPITAL expenditure sanctioned by Imperial Chemical Industries but unspent totalled £1.07bn at the end of 1978, compared with £986m a year earlier. During the year group expenditure showed a jump from £491m to £701m while the amount sanctioned amounted to £788m (£804m).

A statement of source and application of funds shows that at December 31, 1978 net liquid resources decreased by £157m, compared with an £83m increase the previous year. This comprises a fall in liquid resources of £108m to £603m and an increase in short-term borrowings of £49m to £208m. Total funds applied during the year amounted to £915m compared with £756m, while net liquid resources totalled £395m.

Referring to the capital programme the directors state that with worthwhile investment opportunities and satisfactory liquidity, the group maintained its sanctioning of expenditure on fixed assets at an amount approaching the record of 1977. As a result of high sanctioning in recent years, expenditure rose by more than 40 per cent.

A geographical analysis of expenditure in 1978 shows: UK £430m (£330m); Continental Western Europe £87m (£42m); the Americas £107m (£82m); other countries £77m (£37m). Expenditure sanctioned during the year was split as to: UK £466m (£454m); Continental Western Europe £131m (£168m); the Americas £92m (£76m); other countries £99m (£106m).

The directors point out that modernisation and improvement of plants in the UK continued to be an important feature of the group's investment policy. A substantial part of the investment programme was directed again towards increasing the strength of ICI's position in the major chemical markets of the world in Western Europe and North America. Some investments were made to ensure the continuing strength of the group as a supplier of chemicals in markets in other parts of the world.

In a foreword to the report and accounts Mr. Maurice Hodgson, the chairman, points out that the group has recently been investing more than its competitors but continuance depends on adequate profitability, and the price weakness of 1978 was a worrying factor.

Despite low growth and overcapacity in the chemical industry, the chairman feels that it is vital to pass on in higher product prices the massive increases in naphtha costs and with any further rises in petroleum raw material costs resulting from the latest OPEC decisions and the Middle East situation.

Referring to current cost accounts, which indicate significantly lower profits and return on assets, the directors state that they believe that these provide a more realistic measure of performance.

Group trading profit in 1978 amounted to £504m (£521m excluding IMI) while on a CCA basis it is cut to £233m (£292m). In the first half the trading profit improved on the low level of the second half of 1977 but the recovery was not sustained in the second half of 1978. The benefits of improved volume were more than offset by rising costs which could not be matched by higher selling prices.

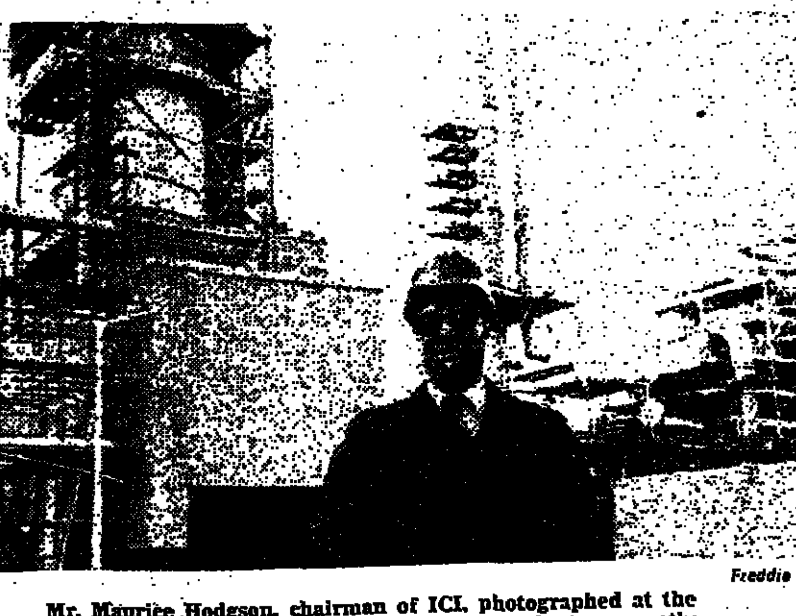
Group profit before tax and grants was £421m (£483m) while on a CCA basis these figures were reduced to £189m (£261m). Profit before loan interest, tax and grants represented a return on average assets employed of 13.5 per cent (15.9 per cent)—the returns on a CCA basis were 4.3 per cent (5.6 per cent).

A divisional analysis of trading profit shows: agriculture £150m (£139m) fibres £13m loss (£16m loss); general chemicals £128m (£146m); industrial explosives £22m (£24m); metals and engineering products nil (£33m); organic chemicals £21m (£55m); paint and decorative products £24m (£13m), petrochemicals £38m (£44m); pharmaceuticals £68m (£46m); plastics £39m (£50m); and miscellaneous £2m (£4m loss). Royalty income amounted to £25m (£22m).

The directors state that in the UK, agriculture sales were at a slow rate in the early months of the year because of price increases and a late spring, but they recovered well despite increasing competition. Overseas sales volumes were high. Profits were maintained, except in Canada where rapidly rising natural gas costs could not be fully recovered in the selling prices of ammonia and fertilisers.

In most countries trading in fibres in 1978 showed improvement over 1977, although conditions were well short of full recovery and did not allow prices to reach realistic levels. In the final quarter of the year the business operated at around break-even level although the full impact of raw material costs increases has yet to be experienced.

Starting from a low level, sales of general chemicals increased, particularly in Western Europe. Prices remain depressed, reflecting the world overcapacity for most products.



Freddie Mansfield

Mr. Maurice Hodgson, chairman of ICI, photographed at the company's Agricultural division's protein plant, presently under construction at Billingham, Cleveland.

Sedgwick Forbes profit expands to £25m

THE GIANT insurance broking group Sedgwick Forbes Bland Payne has announced the results of the Sedgwick Forbes part of the operation. Reported pre-tax profits for the year ended December 31, 1978, rose from £23.19m to £25.04m.

The results were released with the accounts, but do not reflect the recent merger between the Sedgwick Forbes and Bland Payne Groups.

Earnings per share are shown to have increased from 31.2p to 37.3p. A second interim dividend has already been announced of 6.7p net, making 10.7p net. This will be paid to shareholders on the register on February 9, 1979.

Following the merger and capitalisation share issues of February 12 and 13, 1979, the new board expects to pay dividends of 5p net per share for 1979, compared with an equivalent 2.675p for 1978.

The chairman of the new combined group, Mr. Neil Mills, formerly chairman of Bland Payne, tells shareholders in his first statement that the proposed formal link that the group was seeking to establish with Alexander and Alexander, a major U.S. insurance broker, will not be completed for several months.

He said: "Discussions are proceeding with Alexander and Alexander with a view to achieving a formal link but, as previously stated, any proposals will be first submitted to shareholders. It is unlikely, however, that any such proposals will be made for several months."

He added: "I would like to emphasise again that it is the agreed policy of the directors of the two groups not to achieve an exclusive arrangement, particularly regarding the correspondent relationship between Alexander and Alexander and other London insurance brokers and between Sedgwick Forbes Bland Payne."

On the trading front, the group breaks down turnover of the old Sedgwick Forbes company of £65.34m by class of insurance business. Marine and aviation accounted for £15.19m; non marine, UK, £9.61m; non marine, other than UK, £27.35m; life and employee benefits, £3.44m; reinsurance, £8.66m; and underwriting fees and commission, £1.09m.

The directors said growth in Sedgwick Forbes' taxable profits during 1978 had been affected by currency fluctuations. Had sterling not appreciated relative to the trade-weighted average index of the currencies in which the majority of Sedgwick's foreign brokerage is booked, the brokerage "might have been approxately £2.5m higher."

But the expense ratio was held at 62 per cent for the second year running.

Sedgwick Forbes changed the status of its South African company on January 1, 1978. It was formerly a 70 per cent owned subsidiary but has now become an associated company, with Sedgwick holding 40 per cent.

If the South African contribution had been excluded from the results for both years 1977 and 1978, the pre-tax profits of the group would have shown an increase of 22 per cent.

Sedgwick says that although the aviation market remained competitive and premium rates reached a new low, it was able to produce a higher brokerage income.

The directors warn that probable continuation into 1979 of low premium levels in the marine market is likely to lead to a slow down in growth.

But throughout most of the markets, Sedgwick Forbes has reported that conditions are very competitive, although the group has managed to improve profitability.

Laurence Gould in line with forecasts

IN 1978, Laurence Gould and Co. agriculture and agroindustries consultant, has met the profit and dividend forecast which appeared in the placing prospectus last June.

Pre-tax profits were £134,000, compared with £125,000 forecast and £67,000 achieved in 1977. The final dividend is 0.8375p, as predicted in the prospectus.

The directors say results to date in the current year continue to show growth, and the company has entered 1979 with approximately £1m of fee income secured.

For the year as a whole, they add, the indications are that further increases in fee income and profit will be achieved, both in the UK and overseas. However, they say it would be unreasonable to anticipate percentage increases as much as those attained in 1978.

During the year the company provided services to 350 farms in the UK comprising 338,000 acres, and in addition international business has been expanded—it now accounts for 67 per cent of total income, the directors add.

Total fee income rose 67 per cent from £781,000 to £1.31m—an income breakdown (in £000) shows UK contributed £429 (£377) and international £880 (£404).

After a tax credit of £1,000 (£15,000 debit), stated earnings are shown to have risen from 69p to 166p.

The addition to shareholders' funds of £284,000 (£66,000) includes revaluation of properties, showing a surplus of £96,000 over book value, and net cash receipts from the share issue amounting to £61,000.

Mr. Laurence Gould, chairman and chief executive, and his family have waived their dividend entitlement and this is reflected in £7,000 payment.

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Witter expects good year despite haulage strike

AFTER A good start to the current year Thomas Witter and Co., the floor and wall covering manufacturer, was hit by the road haulage strike, says Mr. Bowser, chairman, in his annual report.

The felt mill at Heapey was closed for the duration of the strike, and other factories for a shorter period.

Mr. Bowser says that there was a serious loss of production which cannot be made good. However, he looks forward to another good year.

He adds that the returns from the subsidiaries are still unsatisfactory. Last year the trading profits of UK companies totalled £1.76m, and that of overseas operations £39,000.

Every effort is being made to ensure improvements, says Mr. Bowser. Production in Australia has ceased and, as announced at halfway, the assets of the Australian subsidiary are to be disposed of, but the company will still promote the group's products in that country.

Because of this disposal Kalamundi World Corporation (USA) has disposed of its shareholding in the group, and its nominees have resigned from the Board.

As previously reported in the year to November 30, 1978, the company raised taxable profits from £678,387 to a record £1.87m. Sales were also a record £28.5m against £23.8m.

Mr. Bowser says the record profits and sales were due to higher productivity and new development in manufacturing units. All products returned increased profits, and the group is continuing to look for new outlets at home and abroad.

Net current assets rose from £4.71m to £5.29m, and the increase in net liquid funds is £209,000, compared with £267,000.

Meeting, Withnell, Lancs, on March 30 at noon.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Galliford Brindley, Hunt and Moscrop (Middleton), Staffordshire Potteries, Stocklake, Strong and Fisher, United City Merchants.

Finals—Corah, Davies and Metcalfe, Derek Crouch, Fife Forge, Goode Durrant and Murray, Harris and Sheldon, Lex Service, Needlers, New Equipment, Royal Dutch Petroleum, W. N. Sharpe, Shell Transport and Trading, Tavener Rutledge, Transport Development, Unisec.

FUTURE DATES

Interims—
Green (R.) Properties .... Mar. 16
Nelson David .... Mar. 12
Parker Timber .... Mar. 12
Renong Tin Dredging .... Mar. 12
Wombwell Foundry and Eng'g Mar. 28

Finals—
Britannic Assurance .... Mar. 14
Cartwright (R.) .... Mar. 28
Church .... Mar. 16
Dixor .... Mar. 12
General Mining and Finance ...†Mar. 13
Hiltons Footwear .... April 4
Jones (A.) .... Mar. 10
Lambert Howarth .... Mar. 13
Leyland Paint and Wallpaper ... Mar. 29
Morgan Crucible ....†April 5
Noble and Lund .... Mar. 16
Pentos .... Mar. 12
Robinson (Thomas) .... Mar. 14
Slough Estates .... Mar. 28
Tate of Leeds .... Mar. 19
Zenith Carburetter .... Mar. 27

† Amended.

HOPKINSONS

Hopkinsons Holdings proposes to bring its articles into line with modern practice. It also proposes to change the rights of preference shares because in some respects they are out of line with those of modern preference shares. The proposals include an increase in the effective dividend rate from 4.9 per cent to 5.25 per cent.

£23,000 loss for Westwood Dawes & Co.

PRE-TAX loss at Westwood Dawes and Company, structural and mechanical handling engineering concern, deepened to £20,003, against a surplus of £76,531, in the second half of 1978. Full-time deficit amounted to £23,453 compared with a profit of £114,122 and there is no dividend. For the previous year 3.4416p net per 25p share was paid.

After a tax credit of £13,880 (£57,928 charge), the loss per share emerged at 0.76p (earnings 4.46p).

In August the directors said that investment by traditional customers in the steel and quarrying industries was at a low level and the company had been obliged to continue taking alternative work in a highly competitive market. Reporting a £3,450 loss (£37,591 profit) for the first half, they warned that they did not anticipate recovery by year-end.

BP Canada shows fall to $65m

LOWER MARGINS on refined products, only partly offset by better returns from resource operations, cut the pre-tax income of BP Canada from $72.2m to $65.1m in 1978 on gross sales and services up $105.1m at $842.3m.

After tax of $27.8m ($31.9m) net income was 7.5 per cent lower at $37.3m against $40.3m, equivalent to a fall of 14 cents to $1.77 per common share.

Prices for refined products, however, strengthened during the last few months of the year and this improvement has been maintained in 1979.

A quarterly dividend of 13 cents is to be paid on April 16.

Gross production of crude oil and natural gas liquids averaged 20,464 barrel sa day in 1978—a decline of 7.5 per cent—reflecting the phasing out of exports. Natural gas production at 110m cubic feet a day was 11 per cent down as customers were unable to accept all the gas they had contracted to buy. Sales of refined products were 3.2 per cent up at 111,011 barrels a day.

Recovery to over £0.65m by Exchem

A TURNROUND from losses of £483,606 to pre-tax profits of £653,570 is reported by Exchem Holdings for the year ended September 30, 1978 and Mr. P. M. L. J. Chatel de Brancion, the chairman, says there should be a further improvement in the current year.

Members are told in his annual statement that this will be principally attributable to the trading of Thames Nitrogen Company, which was able to resume its operations in March, 1978 and reach full production by January this year.

External sales of this unquoted concern improved from £14.18m to £15.86m for the 1977-78 year, while attributable profits emerged at £297,331 compared with the previous year's £539,495 deficit.

After a one year absence, dividends are resumed with a 1.695p payment per ordinary 50p share and 0.86518p per 10p deferred share, costing £36,786.

Sales and operating profits, £520,412 (£567,514 losses) were split divisionally as to:— mining and engineering products, £13.29m (£10.45m) and £1,103,285 (£1,096,194), and fertilisers and food products, 2.57m (£3.73m) and losses of £582,873 (£1,663,708).

During the year, the group arranged with its bankers a new medium term loan, which will enable it to consolidate its borrowings and embark on a programme of expansion.

At the year-end, group fixed assets stood at £3.9m (£3.83m), investments totalled £0.26m (£0.18m) and net current assets £1.41m (£1.1m).

A statement of source and application of funds shows a total inflow of funds at balance date of £1.16m (£0.14m outflow).

Meeting, 30 Cursitor Street, EC, March 30, 11 am.

12.3% rise at Cockburn Cement

Sales tonnage fell in 1978 at Cockburn Cement, the 85 per cent owned Rugby Portland Cement Company's Australian subsidiary. However, mainly because of lower interest charges, profit improved by 12.3 per cent from $A5.52m (£3.09m) to $A6.21m (£3.47m). Turnover was marginally up at $A30.07m (£16.8m) against $A29.57m (£16.52m).

Mr. Maurice Jenkins, the chairman, says that the building and construction industry in Western Australia was particularly dull during the second half but there are now signs of recovery in some sectors of the market. Accordingly, the directors are confident that 1979 will be a better year for manufacturers of building materials.

The erection of the new lime plant is on schedule and commissioning should take place in June. The new plant should lead to the company operating more economically but initially interest and depreciation charges will be off-setting factors.

The net total dividend is maintained at 7 cents on increased capital by a 4.75p final, and costs $A2.1m ($A1.4m).

Tax took $A2.7m ($A2.6m) leaving net profit ahead from $A2.92m to $A3.51m. There was an extraordinary gain on sale of land last time of $A39,000.

Updown Inv. paying 1.3p

The gross revenue of Updown Investment Company rose slightly from £151,384 to £158,859 in 1978. Net asset value per 25p share is shown ahead from 60p to 64p.

The net dividend is 1.3p, following a forecast of not less than 1.25p. In 1977, the trust paid 1.75p.

Cazenove and Company at the time of its offer (on behalf of clients) early last year said that the investment policy would be primarily concerned with the capital value of the investment portfolio, and it would therefore not be possible to maintain the dividend rate.

Expenses for the year take £10,686 (£13,331), debenture interest £15,300 (£18,000), and tax £50,218 (£44,463). There are exceptional costs this time of £20,255.

BIDS AND DEALS

Guthrie paying 33% more

A profit rise of 50 per cent and a dividend increase of 33 per cent are forecast by the Guthrie Corporation in its rejection of Sime Darby Holdings' revised bid.

The proposed net dividend for 1979 is forecast at 28p per share making for a prospective yield of 8 per cent on Sime's 524p per share cash offer. Guthrie points out that the yield on the FT Actuaries All Share Index is 32 per cent less and that an investor having to pay capital gains tax on acceptance of Sime's offer would receive an even lower income.

The board forecasts pre-tax profits of £30m for 1979 against the £20.3m estimated for 1978. Profits from manufacturing and trading are expected to double to £12m before interest. The overall profit will be at a record level for the fourth year running says Guthrie. And the 1979 forecast will be 306 per cent of the level achieved in 1974. Guthrie therefore claims to rebut Sime's charge that its profit performance has been "pedestrian" and "indifferent."

On the question of asset value, Guthrie reveals that in recent weeks, a firm offer has been received for two estates totalling over 8,000 acres at a price 11 per cent above the valuation commissioned by Guthrie itself.

The Board promises shareholders a booklet called "The Future of Guthrie" indicating the potential of the group into the 1980s. "1979 is no more than the first instalment in a further period of considerable growth," according to Guthrie's chairman, Mr. M. J. Gent.

The Sime camp replied yesterday that the promises made by Guthrie had all been expected and had been taken into account by Sime in arriving at the revised offer. The dividend payments were looking right through to 1980, and the profit forecast to the end of this year, said Mr. John MacArthur of Kleinwort Benson, advisers to Sime. This was "crystal ball stuff," he commented.

Mr. MacArthur also confirmed that Sime is to bring forward the date of the EGM to approve the bid. The date will be March 26. This will enable Sime to buy more than the 30 per cent of Guthrie already purchased. More shares would be acquired if necessary to make the bid unconditional, he said.

M and G Investment Management yesterday purchased 51,000 Guthrie shares at 514p. Funds under the management of M and G now own 3,357,487 shares in Guthrie (11.69 per cent). The larger holding of over 13 per cent reported earlier this week was incorrect because it erroneously included shares held in Guthrie Bhd.

Johnson-Richards accused of misleading statements

Mr. John Sheffield, chairman of Norcros, yesterday sharply criticised Mr. Alec Done, his counterpart at H. and R. Johnson-Richards Tiles, for making misleading statements about the Norcros takeover offer for the tile concern.

In a letter to Johnson-Richards shareholders, Mr. Sheffield said that he felt it necessary to comment "on certain of the inaccuracies and misleading statements."

He confirmed that London Brick and other Johnson-Richards shareholders—together controlling a 23.6 per cent stake—had accepted the Norcros offer although Mr. Done had seemed to doubt support for the offer from these long standing and substantial shareholders.

He added that Mr. Done was a trustee for a further 3.8 per cent family stake in Johnson-Richards and had been instructed to accept the Norcros bid in respect of this holding.

Mr. Sheffield added: "Mr. Done has given a misleading comparison of performance, taking as a starting point a year in which pre-tax profits of Johnson-Richards and Armitage Shanks had fallen substantially. As a result, for Johnson-Richards and Armitage Shanks, Mr. Done has portrayed as growth what is in reality largely recovery."

He described the proposal to merge the Armitage and Johnson-Richards businesses as a "hastily conceived defensive merger which has already been discredited by the low level of acceptances from shareholders."

GEI CHIEF URGES ACCEPTANCE

Mr. Thomas Kenny, chairman of GEI, has again written to shareholders of Moss Engineering urging them to accept his company's latest offer for Moss.

He says that the Moss forecast of annual pre-tax profits of £900,000 was near to his own company's expectations. However this had only confirmed GEI's belief that it was offering the right price. He said that the offer tok full account of Moss's recovery and potential.

Meanwhile support for Moss's fight against the offer has come from union officials at two of the company's subsidiaries in Accrington. Workers at other plants have also said they oppose a takeover by GEI.

ICFC AID FOR COMPUTER COMPANY

Technical Development Capital, a subsidiary of Industrial and Commercial Finance Corporation, has provided a £75,000 loan for the computer software house Micro Focus.

The company will be using the finance as working capital for a one-year expansion programme. Last year 90 per cent of the sales of CIS COBOL were exports and a substantial proportion of this went to the U.S.

UNIFLEX SHARE TRANSFER

Mr. D. B. Thompson has transferred 1,292,460 ordinary shares in Uniflex Holdings to Hillsdown Holdings, a private company of which he owns approximately 90 per cent.

As a result Hillsdown now owns 1,295,090 ordinary shares in Uniflex (54.6 per cent).

FINANCE AND INDUSTRIAL

The proposed purchase of Gavingham Property by Finance and Industrial Trust will not now take place. Gavingham is unable to comply with the terms and conditions required under the agreement dated December 14.

J. LITHGOW (UK)

Ensecote—a Newton Chambers Engineering subsidiary—has acquired James Lithgow (UK) and its subsidiary, Wolseley Holdings, specialist in heat exchanger linings, for £165,000 cash.

LOUIS EDWARDS

The offer on behalf of Gulliver Foods for the capital of Louis C. Edwards and Sons (Manchester) not previously owned, has closed, with acceptances amounting to 1,575 Edwards shares (0.016 per cent).

The offer was made in order to comply with the provisions of the City Code.

Crusader Insurance lifts reversionary bonus

RATES OF reversionary bonus have been lifted to record levels for 1978 by the Crusader Insurance Company, a member of the C. T. Bowring Group. On whole life policies, the rate is lifted to £4.80 per cent of the sum assured and attaching bonuses from £4.60 per cent in 1977, while for endowment assurances, the new rate is £4.70 per cent compound, compared with £4.50 per cent previously.

The company is, however, leaving its terminal bonus rates, payable on death or maturity, unchanged for the 11th successive year at £1 per cent of the sum assured and accrued bonuses for each year in force.

On self-employed deferred annuities, the reversionary bonus rate is advanced to £5 per cent of the basic benefit and attaching bonuses against £4.80 per cent in 1977, with the terminal bonus being maintained at £1 per cent of the pensions and accrued bonuses for each complete year. In addition, a variable bonus, calculated on the total benefits acquired, including bonuses, would be payable—the amount depending on the immediate annuity rates at the time the pension starts.

The reversionary bonus rates on the Flexible Pension and the Senior Pension contracts are both improved by 20p to £5.10 per cent and £5 per cent compound respectively, with the terminal bonus rate kept at £1 per cent of total benefits for each year in force.

Record levels of reversionary bonus have also been declared by National Mutual Life Assurance Society covering the two years ending December 31, 1978. On whole life (new series) and endowment assurances, the rate is lifted to £4.30 per cent per annum of the sum assured and attaching bonuses against £4.20 per cent at the previous declaration.

On self-employed pension policies, the bonus rate is improved by 20p to £5.40 per cent per annum of the basic benefit and attaching bonuses and by the same amount to £5.40 per cent per annum compound on individual pension arrangements. The bonus rate for group pensions funding contracts is advanced by 10p to £4.10 per cent per annum compound.

The company announced an unchanged final bonus rate in December of 30 per cent of attaching bonuses. This bonus rate, paid on death or maturity claims, is reviewed at six-monthly intervals.

Mr. G. K. Hazell, the actuary of National Mutual, said these new bonus levels reflected the increased profitability of the Society's operations which had resulted from a general improvement in administrative efficiency and a carefully balanced portfolio of ordinary assurance business between with-profit and non-profit contracts.

LEE VALLEY

Dealings started yesterday in Lee Valley Water Company's 8 per cent redemption preference stock 1986. The stock, £10 paid, opened at a two point premium and closed at a premium of 2½ points.

BURCO DEAN

Burco Dean announces that acceptances received in respect of the recent rights issue, total

MINING NEWS

Nabarlek uranium now gets the go-ahead

BY KENNETH MARSTON, MINING EDITOR

THE Australian Government has now approved the development by Queensland Mines of the Nabarlek uranium deposit in the Northern Territory. Mr. Doug Anthony, the federal Trade and Resources minister added yesterday that the company will have to comply with some legal and administrative requirements before work at the relatively small, but high grade, deposit can start.

Nabarlek is estimated to contain some 10,500 short tons of uranium oxide at an average grade of 47 lbs per ton. Queensland Mines has long-standing contracts to supply 3,730 short tons of uranium oxide to two Japanese power utilities in the period 1977-85 and in order to meet them it has been borrowing from the Australian Atomic Energy Commission stocks.

The company recently warned that because of the delays in receiving the Government approval for a mining go-ahead it might have to raise funds from shareholders. However, the directors stated that this would only be done "if absolutely necessary."

● comment

Nabarlek is the second Australian uranium deposit in the Northern Territory to get the go-ahead in the country's slow foxtrot to become a major producer of uranium. While Australia has procrastinated, other suppliers have been snapping up uranium contracts at high prices which are now tending to level off. A major competitor in the near future will be Canada with its big uranium finds in Saskatchewan. In November, Mr. Anthony admitted that Australia had probably lost some uranium market opportunities but added that it was better to start then than not at all. "I think we'll get our share of the market," he said, hopefully. The first of the Northern Territory deposits to be given federal Government go-ahead was the bigger A$300m (£167m) Ranger deposit of Peko-Wallsend and EZ Industries owned in partnership with the Commonwealth Government. Ranger, however, is not expected to reach production until about three years' time whereas it is hoped that Nabarlek will require only two years to come on stream. Of the country's other potential producers of uranium, Western Mining's Yeelirrie venture in Western Australia has taken a step forward with the recent news that it has obtained environmental clearance from the State Government. Still struggling to cross the environmental hurdle are the other hopefuls in the Northern Territory, Noranda's Koongarra and the big Jabiluka deposits of Pancontinental and Getty Oil. The Nabarlek go-ahead news stimulated the shares of Pancontinental yesterday which jumped 75p to 950p (they touched £15½ last year). There is no London market in those of Queensland Mines.

Another Selangor tin deal

AFTER signing joint venture agreements with Berjuntai Tin and Pacific Tin Consolidated over the past two days, Kumpulan Perangsang Selangor (KPS), the mining arm of the Selangor State Government has announced yet another agreement—this time with Brooklands Rubber Estate to acquire 4,200 of rich tin-bearing land, reports Wong Sulong from Kuala Lumpur.

Brooklands Estate, which has 5,761 acres planted with rubber and oil palm in the Kuala Langat district, is a wholly-owned subsidiary of the British-registered Plantation Holdings, which in turn is 64.4 per cent owned by the Malaysian Multi-Purpose Holdings.

Under the agreement, KPS will be acquiring the 4,200 acres of Brooklands at M$4,000 (£900) per acre on a piecemeal basis as and when the land is required for mining purposes. Payment is to be made at the time of acquisition and the first acquisition is expected in two years.

The acreage covering Brooklands forms part of the 7,500 acres prospected by Charter Consolidated in the early 1970s, and which forms part of the 40,000 acres in the Kuala Langat district believed to contain the world's largest tin reserves.

However the reserves are low grade, and lie deeply between 250 feet and 400 feet. Exploitation would require very expensive and sophisticated technology, not used in Malaysian tin mining so far, and it is estimated that it would require at least M$200m to develop the field.

Charter's interest is now represented by Malaysian Mining Corporation (in which it has a 29 per cent equity) and MMC is currently negotiating with KPS on the Kuala Langat venture.

KPS officials disclosed yesterday that an agreement with MMC on the Kuala Langat project is expected to be finalised soon, and the first of the three giant dredges which will work the area, is expected to begin production in three years time.

Sam Goosly to be started

CANADA'S Placer Development and Equity Silver Mines have decided to place into production the Sam Goosly silver-copper-gold property of equity near Houston in northern British Columbia. Placer has 70 per cent of Equity's issued shares and is responsible for the project, reports John Soganish from Toronto.

Mineable ore reserves are estimated at 28m tonnes grading an average 106.3 grammes per tonne silver, 0.384 per cent copper and 0.96 grammes gold.

Full production is scheduled for October next year and the projected annual rate, taken on an average for the first five years, is: silver 177,000 kg, copper 6,400 tonnes, gold 340 kg and antimony 1,700 tonnes. Concentrates will be sold to foreign smelters.

The cost of the project is put at C$85m (£35.5m). Initially, funds will be provided by Placer using its own resources to purchase Redeemable Preferred shares issued by Equity.

NEW PORTUGUESE LINK FOR BERALT

Sociedade Portuguesa Empreendimentos SARL (SPE) is to take a 19.5 per cent share in Minas de Borralha, the wolfram mining concern being purchased by Beralt Tin and Wolfram.

This is disclosed in a letter to Beralt shareholders, published today, setting out the formal terms of the company's acquisition of Borralha. The acquisition was first announced last July, when it was stated that the cost would be about FFr 15m (£1.8m).

SPE is paying cash for its stake, an amount equivalent to 19.5 per cent of Beralt's costs of acquiring Borralha.

Borralha is in the middle of an expansion plan to bring production up to 360 tonnes of 70 per cent wolfram concentrate a year by 1980.

A technical report, attached to the shareholders' letter, states that Borralha ore reserves are adequate for four years' poduction at the expanded rate of output. But mineralisation at the mine extends deeper, although no drilling has been done to quantify the extension.

Beralt is registered in London and has a Portuguese operating company. It is 46.3 per cent owned by Charter Consolidated.

DU PONT LIFTS ENEABBA STAKE

America's El Du Pont de Nemours is to become the majority shareholder in a Western Australian mineral sands operation under proposals for the restructuring of loss-making rutile and zircon producer Allied Minerals.

The plan involves the voluntary liquidation of Allied Minerals and the public float of its operating unit, Allied Eneabba which is now owned 60 per cent by Allied Minerals and 40 per cent by Du Pont.

If the proposal is implemented, Du Pont will hold 58.48 per cent of the listed Allied Eneabba and the present public shareholders of Allied Minerals will hold 41.52 per cent.

OIL AND GAS NEWS

Vietnam offshore well abandoned

THE FIRST exploratory well drilled offshore Vietnam in the South China Sea has been plugged and abandoned following its failure to find any commercial shows of hydrocarbons.

The well, on Block 28, was drilled by a consortium of Canadian oil companies, comprising of Bow Valley Industries, the operator, with 30 per cent, Siebens Oil and Gas and Westburne International Industries each with 30 per cent and Sceptre Resources, with 10 per cent.

The well was drilled in about 150 feet of water to a depth of around 5,000 feet by the semi-submersible rig "Dan Queen," which will now drill a second well in Block 29, about 45km southeast of the first well.

Drilling is being conducted from a shore base established by PetroVietnam, the State-owned oil company, in Vung Tau on the Vietnamese coast about 200 miles southeast of Ho Chi Minh City.

* * *

Petrofina Canada attributes the 23 per cent decline in 1978 earnings to lower profit margins on sales of refined products and petro-chemicals in the first three quarters, reports John Soganich from Toronto.

Net income was C$23.7m (£9.9m) or C$2.37 per share, against C$30.7m or C$3.07 per share in 1977. Gross revenue rose 12 per cent to C$594m from C$531m.

* * *

Premco Petroleum, a wholly-owned U.S. subsidiary of Britain's Premier Consolidated Oilfields, has made a new gas discovery in Erath County, Texas.

The well, which was completed on March 2 at about 3,200 feet having been drilled to a total depth of 3,577 feet and plugged back, was tested with an absolute open flow potential of 3m cubic feet per day and on test flowed at 900,000 cubic feet per day.

Premco acquired from Fred C. Mergner and Associates an 80 per cent working interest in the 1,040 acre Keith Lease in the Fort Worth Basin and is obliged to drill two more wells in the next six months. The first well cost $120,000 and subsequent wells will be drilled on a straight cost basis.

After payout a 25 per cent working interest will revert to Phillips Petroleum, the base lease owners so that Premco's working interest will be reduced to 60 per cent, a net revenue interest, after royalties, of 48 per cent.

* * *

At a meeting held last week, directors of Dome Petroleum passed a by-law under which the company's common shares would be split on the basis of four new shares for each present share.

The share split is subject to shareholder approval at the annual and general special meeting of shareholders to be held on May 7 and to issue the supplementary letters patent to the company confirming the by-law.

It is anticipated that certificates for additional shares resulting from the split will be issued to shareholders on or about May 19.

MADDIESON'S

Oakley Investments offers to acquire the shares in Maddieson's Holidays not owned by Maddieson Investment Company have become unconditional in all respects.

Acceptances have been received in respect of a total of 1,926,998 Deferred shares of 5p and 1,926,998 new Ordinary shares of 1p being 99.4 per cent of each of the two classes of shares for which the offers were made and 61.0 per cent of the capital of Maddiesons.

The offer whereby Oakley agreed to acquire the capital of MIL also became unconditional. MIL owns 38.6 per cent of the capital of Maddiesons and Oakley therefore now owns, directly or indirectly, a total of 99.6 per cent of the capital of Maddiesons.

The offers will remain open until further notice.

CLUFF/IRISH MARINE

Cluff Oil's offer for Irish Marine Oil has been accepted in respect of 833,500 shares (83.35 per cent). The offer is unconditional and remains open.

ASSOCIATES DEAL

As brokers to Norcros, Laurence Prust, on March 5, bought 20,000 Norcros ordinary at 89½p, and 25,000 at 89p on behalf of discretionary investment clients.

SHARE STAKES

M. and G. Magnum Fund: M. and G. bought 2,500 Guthrie shares at 514p. Total number of shares held by funds managed or advised by M. and G. Investment Management 3,817,473 (13.29 per cent).

Christopher Moran Group: Mrs. S. F. M. Redgrove, wife of Mr. J. Redgrove, has sold 10,000 shares.

KCA International: Eagle Star Insurance sold its entire holding of 30,000 first preference shares on February 16. London and Manchester Assurance Company on February 16 bought 15,000 first preference shares making holding 39,500 shares (23.58 per cent). Cothan Finance bought on February 17, 15,000 first preference shares making holding 25,000 shares (6.59 per cent).

Forward Technology Industries—Following sale on February 26 Industrial and Commercial Finance Corporation now interested in 1,265,000 shares and Estates Duties Investment Trust in 251,666 shares.

Centreway—George Whitehouse (Engineering) has acquired further beneficial interest in 30,000 shares making total interest 241,000 (27.4 per cent).

Stanhope General Investment—General Investors and Trustees has acquired further 10,654 shares making holding 105,654 (8.25 per cent.).

BEDFORDSHIRE COUNCIL

Bedfordshire County Council is raising £0.5m by way of 12½ per cent bonds due on March 7, 1984, issued at par. It was incorrectly stated yesterday that the Council was issuing the bonds for a one-year period at 11.5 per cent.

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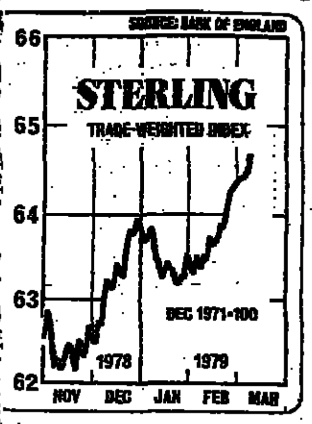
CURRENCIES, MONEY and GOLD

Pound continues to improve

Sterling maintained its firmer trend against other major currencies yesterday in an otherwise featureless foreign exchange market. News of a possible early commencement of the EMS, following the withdrawal of French objections, caused hardly a ripple. Against the dollar, sterling opened at $2.0260 and traded around $2.0265 until towards noon when it improved to $2.0285. This was probably the level at which the Bank of England intervened by purchasing dollars and holding the rate steady. Demand for sterling increased during the afternoon and touched $2.0330, and with New York entering the market selling dollars, the pound finished at its highest level for the day at $2.0340-2.0350. This represented a rise of 95 points from Tuesday's close and was the highest level since October last year.

Against other currencies improved sentiment pushed up the pound's trade-weighted index to 64.7 at the close, its best level for a year, and compared with Tuesday's close of 64.5.

The dollar showed little movement initially but started to ease in the afternoon after the opening of U.S. markets. It finished at or around its worst level for the day against most currencies. Against the Swiss franc at SwFr 1.6680 after SwFr 1.6775 earlier on and SwFr 1.6755 on Tuesday. Similarly the D-mark improved to DM 1.8515 from DM 1.8575 in the morning and DM 1.8580 at the previous close. The yen showed a slightly steadier tendency after its recent decline and managed a 30 point improvement against the dollar to Y204.0 compared with Y204.30.



Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened to 8.4 per cent from 8.2 per cent. On Bank of England figures, its index fell from 84.6 to 84.5.

FRANKFURT — The dollar was fixed at DM1.8560 yesterday, slightly down from Tuesday's level of DM 1.8569, and there was no intervention by the Bundesbank. News of France's proposal to start the EMS and further developments in the Vietnam/China conflict appeared to have little effect on trading and most of the minor currencies showed little or no movement at all. In later trading the U.S. unit fell to DM1.8518 although dealers pointed out that this represented technical adjustments and not any specific trend.

PARIS—There was little reaction in most centres to the decision by France to withdraw its objections to an early start in the EMS. However Paris remained the one notable exception and the dollar lost ground quite sharply in thin trading. Against the franc it finished at FFr 4.2770 compared with FFr 4.2850 at the start of the day and FFr 4.2865 on Tuesday. Sterling improved against most currencies and closed at FFr 4.2770, sharply up from its previous level of FFr 4.2865.

MILAN—In subdued trading, sterling rose to a record level against the lira at the fixing of L1,705.35. The dollar showed a slightly weaker tendency at L841.05 from L841.45 while the D-mark and Swiss franc remained quietly firm.

AMSTERDAM—The dollar was fixed at Fl 2.0050 yesterday, slightly easier than the previous level of Fl 2.0060.

TOKYO—Trading remained quiet for the greater part of yesterday, and the dollar finished with a slight gain over the yen at Y204.675, compared with Tuesday's close of Y204.30. Movements during the day were confined to a spread of 40 points between Y204.65 and Y204.25.

THE POUND SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0260-2.0350	2.0340-2.0350	0.57-0.47c pm	3.07	1.02-0.92 pm	1.97
Canada	2.4080-2.4160	2.4100-2.4110	0.45-0.35c pm	1.99	0.95-0.85 pm	1.49
Nethlnd.	4.05½-4.08	4.06¼-4.07¼	2⅛-1⅛c pm	5.53	5½-4½ pm	4.92
Belgium	59.40-59.80	59.70-59.80	30-20c pm	5.02	75-65 pm	4.69
Denmark	10.52½-15.57	10.55½-10.56½	2ore pm-par	1.14	1¼-½ dis	0.09
W. Ger.	3.76-3.78	3.76½-3.77½	3¼-2¼pf pm	8.04	8-7 pm	7.96
Portugal	96.20-97.30	96.90-97.20	30-100c dis	−8.04	40-210 dis	−5.15
Spain	139.85-140.30	140.20-140.30	15-65c dis	−2.99	30-140 dis	−2.42
Italy	1,702-1,709	1,707-1,708	3-1 lire pm	1.41	4¼-2¼ pm	0.76
Norway	10.30-10.34	10.32½-10.33½	4½-3½ore pm	4.07	9-7 pm	3.10
France	8.68-8.72	8.70-8.71	4½-3½c pm	5.51	9¾-8¾ pm	4.25
Sweden	8.84-8.89	8.86-8.87	4-2ore pm	4.06	8¼-7¼ pm	3.72
Japan	410-420	414½-416½	5.70-5.30y pm	15.88	9.50-9.00 pm	8.90
Austria	27.50-27.65	27.60-27.65	25-15gro pm	8.69	57-47 pm	7.67
Switz.	3.38½-3.40½	3.39-3.40	4-3c pm	12.37	10¾-9¾ pm	11.93

Belgium rate is for convertible francs. Financial franc 60.35-60.45. Six-month forward dollar 1.42-1.32c pm; 12-month 2.90-2.80c pm.

THE DOLLAR SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0260-2.0350	2.0340-2.0350	0.57-0.47c pm	3.07	1.02-0.92 pm	1.91
Ireland	2.0260-2.0350	2.0340-2.0350	0.57-0.47c pm	3.07	1.02-0.92 pm	1.91
Canada†	84.09-84.40	84.37-84.40	0.9-0.6c dis	−1.07	1.2-0.9 dis	−0.60
Nethlnd.	1.9980-2.0050	1.9980-1.9990	0.45-0.35c pm	2.40	1.60-1.50 pm	3.10
Belgium	29.35-29.37	29.35-29.37	6.5-6.6c pm	2.45	23.0-21.5 pm	3.03
Denmark	5.1890-5.1965	5.1895-5.1905	0.5-1.00ore dis	−1.73	2.00-2.50dis	−1.73
W. Ger.	1.8500-1.8576	1.8510-1.8520	0.94-0.84pf pm	5.77	2.96-2.86 pm	6.29
Portugal	47.60-47.73	47.63-47.73	30-40c dis	−8.81	70-135 dis	−8.60
Spain	68.98-69.08	68.98-69.03	15-25c dis	−3.48	45-55 dis	−2.90
Italy	839.0-841.1	839.0-840.0	0.70-1.00lire dis	−1.21	2.40-2.90dis	−1.28
Norway	5.0765-5.0890	5.0770-5.0780	0.85-0.35ore pm	1.42	1.90-1.40 pm	1.30
France	4.2776-4.2865	4.2775-4.2785	0.97-0.87c pm	2.58	2.75-2.60 pm	2.50
Sweden	4.3565-4.3675	4.3565-4.3575	0.70-0.50ore pm	1.65	2.30-2.10 pm	2.02
Japan	203.80-204.70	203.90-204.10	1.20-1.10y pm	6.77	3.65-3.55 pm	7.06
Austria	13.57¼-13.60½	13.57¼-13.58¼	6.00-5.25gro pm	4.97	19.5-17.5 pm	5.45
Switz.	1.6665-1.6775	1.6675-1.6685	1.40-1.30c pm	9.71	4.35-4.25 pm	10.31

† U.S. cents per Canadian $.

CURRENCY RATES

March 6	Bank rate %	Special Drawing Rights	European Unit of Account
Sterling	12½	0.635757	0.667763
U.S. $	9½	1.28690	1.35192
Canadian $	11¼	1.52678	1.59973
Austria Sch.	3¾	17.5061	18.3861
Belgian F	6	37.8069	39.7160
Danish K.	8	6.69188	7.02660
D mark	3	2.38964	2.51051
Guilder	6½	2.58152	2.71114
French Fr.	9½	5.51758	5.79568
Lira	10½	1082.93	1137.64
Yen	3½	263.042	275.927
Nrwgn. K.	7	6.55483	6.88668
Spanish Pes.	8	88.9069	93.4108
Swedish Kr.	6½	5.61989	5.91059
Swiss Fr.	1	2.15710	2.26649

CURRENCY MOVEMENTS

Mar. 7	Bank of England Index	Morgan Guaranty changes %
Sterling	64.69	−39.7
U.S. dollar	84.47	−8.4
Canadian dollar	79.37	−18.3
Austrian schilling	147.37	+19.6
Belgian franc	114.41	+14.7
Danish krone	117.79	+6.4
Deutsche Mark	150.85	+42.3
Swiss franc	195.77	+82.6
Guilder	126.24	+21.0
French franc	99.37	−6.2
Lira	54.20	−49.4
Yen	141.45	+39.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Mar. 7	£	$		£ Note Rates
Argentina Peso	2265-2275	1108-1118	Austria	27-28
Australia Dollar	1.8045-1.8085	0.8870-0.8890	Belgium	59.9-60.9
Brazil Cruzeiro	44.58-45.58	21.90-22.40	Denmark	10.50-10.60
Finland Markka	8.06¾-8.08¾	3.9655-3.9750	France	8.63-8.73
Greek Drachma	73.253-75.037	36.00-36.88	Germany	3.70-3.80
Hong Kong Dollar	9.80-9.81¼	4.8170-4.8240	Italy	1,670-1,720
Iran Rial	148.50-158.70	73-78	Japan	412-422
Kuwait Dinar (KD)	0.552-0.562	0.2749-0.2750	Netherlands	4.00-4.10
Luxembourg Frc.	59.70-59.80	29.35-29.37	Norway	10.26-10.36
Malaysia Dollar	4.46¼-4.47½	2.1935-2.1995	Portugal	95.5-97.5
New Zealand Dlr.	1.9220-1.9280	0.9447-0.9477	Spain	140-145
Saudi Arab. Riyal	6.76-6.86	3.3598-3.3605	Switzerland	3.33-3.43
Singapore Dollar	4.40½-4.42	2.1650-2.1725	United States	2.0300-2.0400
Sth. African Rand	1.7094-1.7203	0.8400-0.8455	Yugoslavia	41-45

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Mar. 7	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.035	3.770	415.5	8.705	3.395	4.068	1708.	2.411	59.75
U.S. Dollar	0.492	1.	1.853	204.2	4.279	1.669	1.999	839.3	1.185	29.37
Deutschemark	0.265	0.540	1.	110.2	2.309	0.901	1.079	452.9	0.639	15.85
Japanese Yen 1,000	2.407	4.897	9.073	1000.	20.95	8.171	9.789	4110.	5.801	143.8
French Franc 10	1.149	2.337	4.331	477.3	10.	3.900	4.673	1962.	2.769	68.64
Swiss Franc	0.295	0.599	1.110	122.4	2.564	1.	1.198	502.9	0.710	17.60
Dutch Guilder	0.246	0.500	0.927	102.2	2.140	0.835	1.	419.8	0.593	14.69
Italian Lira 1,000	0.586	1.192	2.208	243.3	5.098	1.988	2.382	1000.	1.412	34.99
Canadian Dollar	0.415	0.844	1.564	172.4	3.611	1.408	1.687	708.4	1.	24.79
Belgian Franc 100	1.674	3.405	6.310	695.4	14.57	5.682	6.808	2858.	4.034	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.25-10.35 per cent; three months 10.40-10.50 per cent; six months 10.70-10.80 per cent; one year 10.70-10.80 per cent.

Mar. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12⅞-13⅛	10-10¼	9-10	7⅜-7⅝	par-⅛	4-4⅛	6⅝-6⅞	7-10	—	1⅝-3¾
7 day's notice	12⅞-13⅛	10-10¼	9-10	7¼-7½	[illegible]	4-4⅛	6⅝-6⅞	10-11	10⅛-10¼	[illegible]
Month	12⅝-12⅞	[illegible]	10½-10⅞	7¼-7½	[illegible]	[illegible]	7⅛-7⅜	11-12	9⅝-9¾	2⅝-3⅛
Three months	[illegible]	10⅜-10⅝	10⅝-11	7¼-7½	[illegible]	[illegible]	7⅞-8⅛	11¼-12¼	10⅜-10½	3⅜-3½
Six months	[illegible]	[illegible]	[illegible]	7¼-7½	[illegible]	[illegible]	8⅝-8⅞	12-13	10¾-10⅞	[illegible]
One year	11⅝-11⅞	[illegible]	[illegible]	7¼-7½	[illegible]	[illegible]	9⅛-9⅜	12¾-13¾	10¾-10⅞	3⅞-4¼

Long-term Eurodollar deposits: two years 10⅞-10⅛ per cent; three years 10¼-10½ per cent; four years 10⅜-10⅝ per cent; five years 10⅜-10⅝ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Belgian money rates cut

Credit conditions eased further in Brussels yesterday, as the Belgian National Bank announced a reduction in the Lombard rate, and the discount rate for "B" quota loans, to 7 per cent from 7½ per cent to take effect from today. Bank Rate, which is the discount rate on "A" quota loans, remains at 6 per cent.

Under central bank regulations "B" quota loans are made at a penal rate once a commercial bank has used up its "A" quota facility. "B" quota loans can represent only one quarter of an individual bank's borowing. Bank rate has been steady at 6 per cent since last July, when it was increased from 5½ per cent. The quota system was introduced in October, when the Lombard rate was pushed up from 6 per cent to per cent, and "B" quotas were set at the same level, where both rates remained until mid-January.

This latest cut is the third downward movement in these rates so far this year, and according to the authorities is possible because of the continuing firmness of the Belgian franc on the foreign exchange market. The central bank also said that it brings the rates into line with falls in domestic money market rates during the last few weeks, but it apparently came as something of a surprise to the market. Reductions in Belgian National Bank lending rates have often followed cuts in short-term Belgian. Treasury certificate rates and the rate on four-month Belgian bond fund paper, but these were unchanged on Tuesday. Treasury certificate rates were reduced during the previous two weeks however, without any corresponding cut in central bank lending rates.

PARIS—Day-to-day money rose to 6⅞ per cent from 6¾ per cent, while one-month was unchanged at 6⅝-6⅞ per cent. Three-month eased to 7⅛-7⅜ per cent from 7¼-7⅜ per cent; six-month to 7 11/16-7 15/16 per cent from 7¾-7⅞ per cent; and 12-month to 7⅞-8 per cent from 7 15/16-8 1/16 per cent.

FRANKFURT—Interbank rates were generally firmer, with call money rising to 4.15-4.25 per cent from 4.00-4.10 per cent; one-month to 4.15-4.25 per cent from 4.05-4.20 per cent; and three-month to 4.25-4.35 per cent from 4.15-4.30 per cent. Six-month was unchanged at 4.35-4.45 per cent; and 12-month was quoted at 4.90-5.00 per cent, compared with 4.80-5.00 per cent previously.

GOLD

Firmer trend

Trading in the London bullion market yesterday remained at a very low level ahead of the IMF auction, and gold improved $2 an ounce to finish at $240¾-241½. After opening at $241¾-242½, the metal was fixed at $242.0 in the morning and $242.25 in the afternoon. The firmer trend may have been helped slightly by a weaker dollar.

In Paris the 12½ kilo bar was fixed at Fr 33,600 per kilo ($243.88 per ounce) compared with Fr 33,200 ($241.19) on Tuesday morning.

In Frankfurt the 12½ kilo bar was fixed at DM 14,475 per kilo ($242.58 per ounce) against DM 14,325 ($239.98) previously.

	Mar. 7	Mar. 6
Gold Bullion (fine ounce)		
Close	$240¾-241½ (£118.4-118.8)	$238¾-239½ (£117.9-118.3)
Opening	$241¾-242½ (£119.2-119.6)	$238¾-239½ (£117.9-118.3)
Morning fixing	$242.00 (£119.365)	$239.30 (£118.75)
Afternoon fixing	$242.25 (£119.071)	$239.75 (£118.325)
Gold Coins, domestically		
Krugerrand	$256¾-258¾ (£126½-127½)	$255-259 (£126-128)
New Sovereigns	$68-70 (£33½-34½)	$67¼-69¼ (£33¾-34¾)
Old Sovereigns	$75¼-77¼ (£37-38)	$76-78 (£37½-38½)
Gold Coins, internationally		
Krugerrand	$248½-250½ (£122½-123½)	$247-249 (£122-123)
New Sovereigns	$63¼-65¼ (£31-32)	$62¾-64¾ (£31-32)
Old Sovereigns	$77¼-79¼ ($38-39)	$76-78 (£37½-38½)
$20 Eagles	$313½-316½	$312-317
$10 Eagles	$172-177	$172-177
$5 Eagles	($119½-124½)	$118-123

UK MONEY MARKET

Small seven day lending

Bank of England Minimum Lending Rate 13 per cent (since March 1, 1979)

The authorities relieved a slight overall shortage of day-to-day credit in the London money market, by lending a small amount to one or two discount houses for seven days at Bank of England Minimum Lending Rate of 13 per cent. No specific message accompanied the assistance, but it was generally interpreted as strengthening last week's request for a period of stability in short-term interest rates.

Discount houses marked down Treasury bill rates initially, but moved them back to previous levels on news of the seven day lending, while overnight rates in the interbank market moved up to 20-25 per cent in late trading, after holding steady at 12¾-13 per cent for most of the day.

The houses paid up to 12¾ per cent for secured call loans at the start, with closing balances taken at 12-13 per cent.

There was a small decrease in the note circulation, but this was outweighed by a moderate net take-up of Treasury bills; resale to the market of eligible bank bills bought recently by the authorities; repayment of small overnight loans; and a fairly large excess of revenue payments to the Exchequer

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Mar. 7 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ✦	Eligible Bank Bills ✦	Fine Trade Bills ✦
Overnight	—	12¾-25	—	—	—	—	12-13	—	—	—
2 days notice	—	—	12⅞-13⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	13½	12⅝-12⅞	—	—	—
7 days notice	—	12¾-13	13-13¼	—	13¼	13¼	12⅜-12½	—	—	—
One month	[illegible]	12⅝-12⅞	12⅝-13	13-13⅜	13¼	—	12⅛	[illegible]	12¾	13¼
Two months	[illegible]	[illegible]	—	12⅝-13	13	12¾	11¾	[illegible]	[illegible]	12¾
Three months	[illegible]	[illegible]	[illegible]	11⅞-12¼	12¾	—	—	[illegible]	11⅝	12¼
Six months	11½-[illegible]	11½-11¾	11½-11⅞	11¼-11⅝	12¾	—	—	—	[illegible]-10⅞	13
Nine months	11⅝-11¼	[illegible]	—	11⅜-11⅝	12⅛	—	—	—	—	—
One year	[illegible]	11⅜-[illegible]	11½-11¾	11⅜-11⅝	12⅛	—	—	—	—	—
Two years	—	—	11¾-12	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 12-12⅛ per cent; four years 12⅛-12¼ per cent; five years 12¼-12½ per cent. ✦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅜-11⅝ per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11 [illegible] per cent; two-month 11½ per cent; three months 11⅛-11 7/16 per cent. Approximate selling rate for one-month bank bills 12⅝ per cent; two-month 12⅜-12 [illegible] per cent; and three-month 11½ per cent; one-month trade bills 13¼ per cent; two-month 12¾ per cent; and three-month 12½ per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	9.9375
Treasury Bills (13-week)	9.42
Treasury Bills (26-week)	9.44

GERMANY

Discount Rate	3
Overnight Rate	4.20
One month	4.20
Three months	4.30
Six months	4.40

FRANCE

Discount Rate	9.5
Overnight Rate	6.625
One month	6.8125
Three months	7.1875
Six months	7.375

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.625
Bills Discount Rate	4.5625

NORTH AMERICAN NEWS

Aetna Life to merge with American Re-Insurance

BY JOHN WYLES IN NEW YORK

AMERICAN RE-INSURANCE Company has elcted to move into the fold of the largest U.S. all-line insurer, Aetna Life and Casualty, on the basis of a $341m merger agreement.

The development took Wall Street by surprise yesterday, largely because Aetna had not been seen as a potential "white knight" who would help American Re-Insurance fend off the unwelcome attentions of Indiana-based Lincoln National Corporation. Lincoln announced last week that it would go ahead with a $56-a-share tender offer despite the opposition of the board of American Re-Insurance.

Behind the scenes, however, American Re-Insurance's advisors, Goldman Sachs, were lining up Aetna to close one of the largest insurance industry mergers for a long time. Aetna has agreed to pay $62 a share in an acquisition which will place the insurance giant with assets of $24bn firmly in the re-insurance business.

American Re-Insurance's board is recommending stockholders to accept the offer, which compares with an over-the-counter share price of $36.75 on February 8 before Lincoln National made its first bid. In midday trading yesterday, American Re-Insurance climbed $5¼ to $58 bid.

Aetna's offer will need the approval of state and federal regulatory agencies. Assuming the deal goes through, Aetna says it will maintain its new acquisition as a separate entity.

American Re-Insurance has assets of $1bn and earned $26.5m, or $4.83 a share, in the first nine months of last year. Aetna will be paying a multiple of a little more than 8 on the company's 1978 earnings. It is the second largest publicly-owned independent re-insurance company which has been taking a hard line against rate-cutting in the last couple of years. It is not expected to maintain the near-50 per cent rate of earnings growth seen in 1978 because underwriting earnings for the entire insurance industry are predicted to fall this year.

Dainippon wins U.S. bid battle

BY STEWART FLEMING IN NEW YORK

RHONE-POULENC, the French chemicals company, is retiring from the battle for control of U.S. printing equipment manufacturer Polychrome. The move was foreshadowed in Tokyo on Tuesday, when the Rhone-Poulenc managing director suggested the possibility of a compromise.

Dainippon Ink is lifting its takeover offer for Polychrome from $25 a share to $26 a share, valuing the U.S. company at $62m, and Rhone-Poulenc has agreed to accept the offer for the 40 per cent of the equity it already controls.

The announcement brings to a conclusion a rare event in the U.S., a contested takeover bid for an American company by foreign corporations. It could well signal a fundamental policy decision by Rhone-Poulenc, whose officers have indicated that failure to win control of Polychrome might cause it to pull out of the printing business.

It is thought that the French company, which operates mainly in the chemicals, pharmaceuticals and health-care fields, may now decide that its printing interests are too small to be worthwhile and will therefore dispose of them.

It is not clear, however, whether it will employ the funds from the sale of its 40 per cent of Polychrome in expanding in the U.S.

Dainippon will now press ahead with its tender offer for Polychrome, which closes at noon on March 12. With Rhone-Poulenc's 40 per cent stake, and the support of Polychrome which has endorsed its offer, that bid looks certain to succeed, especially since Mr. Gregory Halpern, the octogenerian founder of Polychrome, controls 14 per cent of the company.

It became clear early on that Polychrome, which had sales revenues last year of $111m and net income of $4.8m, was leaning towards the Japanese company as a preferable partner.

Mexican steel losses reduced

BY WILLIAM CHISLETT IN MEXICO CITY

FUNDIDORA MONTERREY, the steel plant which is 44 per cent owned by the Mexican government, reduced its losses last year and executives are hopeful that it can move into the black in 1979.

The company, rescued by the government after the 1976 devaluation of the peso, raised output to 960,000 tonnes of steel ingot and products from 700,000 tonnes in 1977.

During 1977 and 1978, Fundidora lost 190 days of production as a result of strikes. This, together with its debt burden, meant that the third stage of expansion which raised Fundidora's installed capacity to 1.5m tonnes at a cost of $360.9m never bore fruit.

Losses fell from 700m pesos ($30.9m) in 1977 to 500m pesos ($22.1m) in 1978. This year, if production can be raised to about 1.2m tonnes, Fundidora could make a profit of about 100m pesos ($4.4m). The strike record this year has been much better.

The production figure of 1.2m tonnes is considered the break-even point.

While Fundidora, which along with Altos Hornos and Socartsa forms part of Sidermex, the Government's umbrella organisation for the steel industry, is slowly recovering, Hylsa, the private steel plant and core of the Alfa group, is forging ahead.

Hylsa's production in 1978 was 1.4m tonnes; its installed capacity is 1.5m tonnes. Profits have not been officially announced, but are expected to be around 900m pesos ($39.8m) compared to 758m pesos in 1977.

Hylsa's famous HYL process for the direct reduction of iron into sponge iron, has been successfully tried in Altos Hornos and may be used there.

INTERNATIONAL BANKING

Go ahead for return to Tehran

BY JOHN EVANS

MAJOR foreign banks with offices in Iran have been given the green light by the central bank to return to Tehran.

Mr. Feedoun Naderi, Director General of Bank Markaz's international banking division, has said that he is sending telex messages to all the country's correspondent banks abroad, and inviting "their continued co-operation with our banking system."

Speaking to Western reporters, Mr. Naderi disclosed that a few foreign banks have already returned, after closing their offices during the recent Tehran violence. "Most say they will be coming back in two weeks' time. I have given the signal, and they are flowing back," he added.

The Alpha Group, a consortium of Italian and Scandinavian banks, returned to Tehran a few days ago, Deutsche Bank was set to return, while U.S. and British banks were expected soon, the central banker said.

Before the disruption, there were 70 or so foreign banks with representative offices in Tehran. As foreign banks were allowed neither to operate branches nor to solicit deposits, they avoided the looting problems suffered by many foreign banks in Beirut during the civil war, when thefts were estimated at hundreds of millions of dollars.

There are question marks, however, over the foreign banks' equity interests in the Iranian private banking system, which suffered severeley during the revolution.

Most bankers doubt that foreign bank representation will recover pre-revolution levels, and feel that half the 70 offices may be closed.

The new Bank Markazi Governor, Mr. Mohammed Ali Mowlavi, has pledged that the troubled banking system will be rescued and strengthened. Some foreign banks hope such official support will be on a scale sufficient to remove the need for them to provide capital injections.

Foreign banks are also nervous over the possibility of Iran's private banks being nationalised — although there are apparently no immediate plans for such state ownership.

Among foreign interests, Bank of America has a stake in the Foreign Trade Bank of Iran, in which Deutsche Bank and Banca Commerciale Italiana are also represented. Chase Manhattan has a 35 per cent interest in the International Bank of Iran and shares with Continental Illinois interests in the Industrial and Mining Development Bank of Iran. Continental also has part of the equity of Bank Daruish.

British stakes include Standard and Chartered's participation in Bank Iran va Englis, while Algemene Bank Nederland has 35 per cent of Bank Tejarati Irano Holland, and French banks are extensively involved in the Bank of Tehran.

The most intriguing position is that of Bank Russo-Iran, which is entirely owned by Soviet state banks. Generally, foreign banks are permitted to take only a 40 per cent maximum in an Iran-based bank.

The attitude towards this bank, Western observers feel, may well give a hint to the future approach of the new Islamic regime to its Soviet neighbour.

There is little doubt in foreign bankers' minds, meanwhile, that an extensive rationalisation of the Iranian banking system, numbering some 35 banks, will be implemented in the future.

The reconstruction of the banking system will probably mean mergers between the smaller banks, and the absorption of weaker elements by the big state-owned entities, such as Bank Melli Iran.

Most bankers doubt that foreign bank representation levels will recover to pre-revolution levels, and feel that perhaps as much as half of the 70 banks may formally decide to close their operations.

This number of banks was never welcome in Tehran, and many will find it difficult to justify the cost of a Tehran operation in the future, particularly as their corporate clients will find Iranian business much less easy to obtain.

Reynolds Metals steps up production

By Our New York Staff

A FRESH pointer to yet higher prices for aluminium products in the U.S. has come from Reynolds Metals which plans to reopen idle capacity in Texas which was shut down partially because of its high production costs.

This move parallels a similar announcement last month from Aluminum Company of America and testifies to the current strengths of demand for primary aluminium ingots in the U.S. But taking older plants out of mothballs is also seen as indicating further price rises for aluminium products. Significantly, Kaiser Aluminium followed in Alcoa's tracks on Tuesday by announcing a 5.2 per cent increase in beverage can sheet from April 5.

Reynolds' smelting plant at Corpus Christi, Texas, was closed in 1975 due to slumping demand and rising costs of natural gas. Reynolds is the country's second largest aluminium producer. With its Texas plant in operation it will be producing at 100 per cent of capacity which is 975,000 tons a year.

Commonwealth Oil could emerge from bankruptcy

NEW YORK—Commonwealth Oil Refining (Corco) could emerge from the bankruptcy courts by the end of the year, according to Mr. C. Howard Hardesty, the former Continental Oil executive who last month was named chairman, president and chief executive officer of the financially troubled oil group.

Since March, 1978, Commonwealth has been operating under court protection of Chapter 11 of the Federal Bankruptcy Act.

But last week, the company signed an agreement in principle with a group of Arab investors, led by Mr. Roger E. Tamraz, that is seeking to acquire the oil refiner and its $1bn complex on Puerto Rico's south coast. Mr. Hardesty said he was encouraged that "a group of responsible investors has shown confidence in the company."

He said the agreement with the Tamraz group provided a "platform" for the company to work from while preparing a plan for paying its debts.

Ashland Oil, the Kentucky-based refiner and marketer that made its own move to acquire Commonwealth in 1977, is serving as an adviser to Mr. Tamraz during his takeover bid. But Ashland probably will not play a major role in Commonwealth's future.

Asked if he stood behind an earlier prediction that Commonwealth could earn $20m in 1979 and $80m in 1980, Mr. Hardesty said he was not "walking away from those numbers now." Last year, Commonwealth reported a profit of $11.1m., or 64 cents a share, on sales of $931m.

AP-DJ

Tiffany and Avon boards back merger

NEW YORK — The boards of the Tiffany company and Avon Products have approved the proposed merger under which Tiffany would become a wholly owned Avon subsidiary.

Terms call for Tiffany holders to receive 0.845 share of Avon for each Tiffany share. Tiffany holders will vote on the merger at a special meeting expected to be held in April. Tiffany would remain an independent operation under present management.

Meanwhile, Tiffany reports a fourth-quarter net profit of $2.6m or $1.14 a share on sales of $28.8m compared with $2.2m or 98 cents on a turnover of $24.4m for the same period the previous year.

The return boosted Tiffany's year-end profit to $5.8m or $2.54

Reuter

RESULTS IN BRIEF

Solid gain in Harsco earnings

NEW YORK — Harsco, the U.S. steel recovery concern, turned in an improved performance last year, with earnings per share advancing from $1.33 to $1.48.

Also recording a gain for the year was Harcourt Brace Jovanovich, the publishing company, whose per share figure rose from $4.35 to $4.80. At the halfway stage, mobile home company Fleetwood Enterprises was sharply ahead, $1.62 a share comparing with 93 cents in the corresponding six months.

Sinking deeper into the red, H and R Block, which provides income tax services, lost six cents a share in the first nine months against 50 cents the previous period.

In the first quarter, Marley which makes water cooling towers, showed an earnings drop to 36 cents a share from [illegible] cents, while shoe manufacturer and retailer Brown Group increased from $1.10 to $1.40.

Foxboro, the instrumentation and control system company lifted earnings last year to $32.47m, or $3.95 a share, from $31.72m, or $3.92, with sales up to $396m from $369m.

Canada's Bow Valley Industries benefited from the high level of oil well drilling activity and increased petroleum and coal production, with an earnings gain from C$8.6m, or [illegible] cents, to C$14.3m, or C$1.41.

Transport and vehicle management service concern Gelco boosted its half-year earnings to $6.04m, or 88 cents a share, from $3.26m, or 52 cents. Revenues totalled $104m against $78m.

Agencies.

Coca-Cola advances

Coca-Cola reported a 13 per cent gain in earnings for last year to $374.7m, or $3.03 a share, and said it expects another strong year in 1979, agencies report from New York. Sales moved ahead more rapidly, however, by nearly [illegible] per cent to $4.34bn. In the first quarter, net income was 14 per cent higher at $82.5m, with sales again up by almost 20 per cent to $1.07bn.

EUROBONDS

UOB plans $25m floater

By Francis Ghilès

UNITED OVERSEAS BANK is to float a $25m ten-year floater through a group of banks led by Credit Suisse First Boston. The borrower will pay an interest rate of ¼ per cent over three month Libor and the minimum coupon will be set at 6 per cent. This is the second time in the past three weeks that CSFB has arranged a floater where the interest rate is based on three month rather than the traditional six month Libor.

This makes the issue more of a money market instrument and it is meeting with the investor's approval. The performance of the first FRN containing this feature, arranged for Citicorp last month has performed very well in the secondary market: yesterday the lead manager was quoting it at 99½-¾. The secondary market in dollar bonds was very firm yesterday for the second day running.

Prices in the sterling sector were up by a full point yesterday helped by a strong gilt market. The recent FFI issue moved up to 100¾-101¼ from the level it had settled at the Tuesday close of 100¼-¾.

In the Swiss franc sector of the market prices of most bonds were easier yesterday, particularly where longer dated issues are concerned. Investor reluctance to take on bonds with a maturity of over 10-12 years led Union Bank of Switzerland, which is arranging an issue for Canada, to shorten the maturity from an expected 15 to a final ten years. The issue was also reduced from an indicated SwFr 500m to SwFr 300m. Other indicated terms include a coupon of 3¾ per cent and a price of 99½ to yield 3.72 per cent.

This public bond is part of a total financial package amounting to SwFr 1.5bn which includes a private placement of SwFr 500m and a loan of SwFr 700m, increased from an initial SwFr 500m to make up for the reduction in the amount of the public bond.

Trading in the French franc sector of the market has been reduced to a trickle in recent days: the strike by employees of the Paris stock exchange and the increasingly morose social and political climate have had their impact here.

Yields on domestic issues have been falling steadily in recent months to the point where the yield on the recent FFr 1.2bn domestic issue for the state railways, SNCF, which runs for 18 years is only 9.65 per cent.

The Special Drawing Rights denominated bond amounting to SDR 20m arranged by S. G. Warburg for the Nordic Investment Bank started trading yesterday and was quoted at 99½-100 by the lead manager.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 7

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9¼ 88	25	94⅛	94⅝	−0⅛	0	10.20
Bayer Int. F. XW 7¼ 89	200	83¾	84¼	−0⅛	−0¼	9.87
CECA 9¾ 84-99	50	95¾	96¼	−0⅛	0	9.82
Canada 9 83	400	98⅛	98⅝	0	+0⅜	9.66
Canada 9¼ 98	350	96⅜	96⅞	0	+0⅜	9.87
Canadair 8½ 83	70	94⅝	95⅛	+0⅛	+0½	10.01
Dominion Bridge 9 86	25	93½	94	0	−0¼	10.24
Dow Chem. O/S 9¾ 94	200	96⅞	97⅛	−0⅛	+0⅜	10.04
EIB 9⅞ 88	125	†93⅞	94⅜	+0⅛	+0¼	10.04
Export Dv. Cpn. 9.85 84	150	100⅛	100⅝	−0⅛	+0⅛	9.98
Export Dv. Cpn. 9¾ 84	100	97	97½	0	+0⅛	9.98
Eksportfinans 9 85	60	95⅜	95⅞	+0¼	+0⅝	9.78
Finland 8¾ 83	100	96	96½	+0⅛	+0⅛	10.08
Finland 9 88	100	94⅞	95⅜	−0⅛	+0⅜	10.04
Finland 9½ 86	100	97⅛	97⅝	+0¼	+0⅝	10.04
GTE Fin. 9½ 84	50	97⅝	98⅛	0	+0¼	10.06
Gould Int. Fin. 9¾ 85	50	99	99½	0	+0⅛	9.92
Hospital O/S 9 83	25	96⅝	97⅛	0	+0⅛	9.86
Hudson Bay Co. 10 94	50	99⅞	100⅜	0	+0⅜	9.98
Itel Finance 9¾ 90	30	94⅛	94⅝	−0⅛	+0⅝	10.60
J. C. Penney 8½ 83	100	95⅝	96⅛	−0⅛	+0½	9.67
Manitoba 9½ 89	75	96⅜	96⅞	+0⅛	+0⅜	10.05
Nat. West 9 86	75	96⅜	96⅞	0	+0⅜	9.65
New Brunswick 9¾ 94	75	97⅜	97⅞	+0⅛	+0⅛	10.06
Newfoundland 9¾ 90	50	95½	96	0	0	9.88
Nord. Inv. Bk. 8¾ 88	25	94⅜	94⅞	0	0	9.65
Norsk Hydro 9¼ 94	50	94⅝	95⅛	0	−0⅛	9.92
Norway 7⅞ 83	250	92⅞	93⅜	0	+0¼	9.96
Norway 8¾ 83	150	96¾	97¼	0	+0¼	9.84
Norway 9¾ 84	150	100	100½	0	+0⅛	9.91
Ont. Hydro 8½ 85	125	93⅝	94⅛	+0⅛	+0½	9.84
Portland 10 84	50	96⅜	96⅞	+0⅛	+0⅛	10.91
Quebec Hydro 9½ 93	50	96½	97	+0⅛	+0⅛	9.92
Redland XW 9½ 91	25	90¾	91¼	+0¼	+0¼	10.88
Sears Roebuck 9 82	150	97½	98	−0⅛	+0⅛	9.91
UK 8½ 85	200	95⅜	95⅞	0	+0⅛	9.67
UK 8⅞ 93	150	93¾	94¼	0	+0⅛	9.87

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	96¾	97½	+0⅛	+0⅛	5.97
Argentina 6½ 88	150	94¾	95½	0	−0⅛	7.21
Australia 6 88	250	99½	100	0	0	6.03
Austria 5¾ 90	150	92⅛	92⅞	+0⅛	+0⅝	6.68
Bankamerica 5¾ 90	150	97¾	98¼	−0⅛	−0⅛	5.99
Bq. Ext. Algerie 7¼ 85	100	96⅝	97⅛	−0⅛	+0⅛	7.86
Brazil 7¼ 87	150	100⅝	100⅞	−0⅛	0	7.16
CECA 6 88	150	96⅝	97⅛	0	+0⅛	6.44
Ch. Manhttn. O/S 6 93	100	99¼	99¾	+0⅛	+0⅛	6.05
Commerzbank WW 3½	100	100	101	−0⅛	−0½	3.43
Commerzbank XW 3½	100	81	82	−0⅛	0	6.17
Copenhagen City 6 90	75	91½	92¼	+0⅛	+0⅛	7.04
Council of Europe 6¼	130	96⅛	97⅛	0	+0⅛	6.68
Denmark 5¾ 85	100	96⅝	96⅞	−0⅛	+0½	6.45
Denmark 6½ 89	100	96½	97	0	+0⅛	6.96
EIB 6 90	300	93⅝	94⅛	+0⅛	0	6.77
EIB 6½ 91	200	97	97¼	−0⅛	+0½	6.86
Eletrobras-Brazil 7 87	100	97⅛	97⅝	0	+0⅛	7.45
Eurofima 6½ 89	100	100	100½	0	0	6.46
Finland 6 83	150	99⅞	100⅛	−0½	−0¼	6.05
Hitachi Ship. 5¾ 83	50	98⅜	98⅞	−0⅛	−0¼	6.08
Indonesia 7 84	100	98⅜	98⅝	0	+0⅛	7.35
Kobe, City of 5¾ 88	100	100	99⅞	+0½	+1⅛	5.87
Mitsubishi Petro. 5¾ 85	100	98½	99	−0⅛	−0¼	5.98
New Zealand 6¼ 87	200	99½	100	−0⅛	0	6.29
Nippon Steel 5¾ 85	100	97⅞	98⅝	+0⅛	−0⅛	6.08
Nippon Tel. & T. 5¾ 87	100	95⅜	96⅛	0	−0⅛	6.15
Nordic Inv. Bk. 6¼ 86	60	97⅞	98⅜	−0⅛	+0⅛	6.59
Norges Komm. 6 90	100	95⅜	96⅛	+0⅛	0	6.63
Norges Komm. 6¼ 89	150	97⅜	98⅛	−0⅛	+0⅛	6.55
Occidental 6¾ 90	150	96⅜	96⅞	+0⅛	+0½	7.18
OKB 6½ 88	100	99⅞	100⅝	+0⅛	+0⅛	6.46
OKB 6 87	40	97⅞	98⅜	0	+0⅛	6.29
Petroleo Brazil 7 88	100	97¼	97¾	−0⅛	−0⅛	7.38
Ricoh 6¼ 83	30	98	98½	0	+0⅛	5.70
Statoil 6 88	150	95¾	96¼	−0⅛	+0¼	6.57
Statoil 6½ 89	150	†97¼	97¾	−0⅛	0	6.85
HDS Group 5¾ 83	65	96⅜	96⅞	−0⅛	+0⅛	6.67
Union Bank-Finn 6½ 88	50	94⅝	95⅛	−0⅛	+0⅛	7.26
Venezuela 6¼ 90	150	92⅞	93⅜	+0⅛	+0⅛	7.38
World Bank 6¼ 88	400	†97¼	97¾	0	+0⅛	6.60

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	104¾	105	0	+0⅛	4.63
Amer. Exp. Int. 3½ 93	40	99⅜	99⅞	0	−0½	3.52
Arlberg Tunnel 4 93	40	99	99¼	−0½	−0⅛	4.06
Asian Dev. Bank 3½ 94	100	90½	90¾	0	−1½	4.37
Austria 3½ 93	100	†96¾	97	+0⅛	−1⅛	3.78
Brazil 4¾	100	99⅜	99⅞	0	+0⅛	4.28
Chase Manhattan 4 93	70	†101	102	+0⅛	−2¼	3.86
Council of Europe 4¼	100	102½	102¾	+0⅛	+0⅛	3.97
Bankamerica 3¾ 93	80	100½	100¾	0	+0⅛	3.69
BNDE 5 88	75	102	102½	+0⅛	+0½	4.70
Denmark 4½ 90	100	103	103½	−0⅛	+0⅛	4.14
EIB 4¼ 93	100	101½	101¾	+0⅛	+0⅛	4.10
Euratom 4¼ 93	80	100¼	100¾	−0⅛	−0⅛	4.20
F. L. Smidth 4½ 89	25	102⅞	103⅛	−0⅛	−0⅛	4.15
Finland 4½ 93	80	101⅜	101⅞	+0⅛	+0½	4.33
GZB 4½ 93	100	103½	103½	−0¼	+0⅛	4.18
Heron 4¾ 89	35	100½	100¾	+0⅛	+0½	4.17
ICI Fin. NV 3½ 94	230	93½	93¾	−0⅛	−0⅞	4.08
Malaysia 4¾ 90	80	98⅞	99⅛	+0⅛	−0½	4.86
Newag 4 93	70	99½	99¾	0	−1⅛	4.03
New Zealand 3½ 94	120	96½	97	−0½	−0⅛	3.78
Norges Komm. 4¾ 90	100	103⅜	103⅞	+0⅛	+0⅛	3.83
Ov Nokia 5 90	20	102¾	103	+0⅛	−0⅛	4.69
Sandvik 4 90	85	99¼	99¾	−0⅛	−0⅞	4.07
Seas 4½ 88	15	102	102½	−0⅛	−0⅛	4.20
Voest-Alpine 4½ 93	100	103¼	104	−0⅛	−0⅛	4.15
Vienna 4 93	100	99½	100	−0⅛	+0⅛	4.02
World Bank 4¾ 93	250	100⅞	100⅞	+0⅛	−0½	4.20

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 5¾ 88	15	86½	87½	0	−1	7.73
Australia 5.6 83	30	96⅞	97⅞	−0½	−1⅛	6.34
Australia 6½ 88	20	93	94	0	−0½	7.59
BFCE 6.4 90	30	†90½	91½	−0⅛	−1	7.74
Finland 5.6 83	10	95½	96½	−0½	−2	6.69
Finland 6.8 88	10	93½	94½	−0⅞	−1⅛	7.83

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ AS	12	94⅝	95⅞	+0⅛	+0⅛	12.50
Auto Cote 8, 7 93 EUA	16	91½	92¼	−0⅛	−0⅛	7.93
Komm. Inst. 7½ 93 EUA	15	97¾	98¾	−0⅛	−0⅛	7.78
Panama 8¾ 93 EUA	20	94⅝	95⅞	+0⅛	+0⅛	8.83
SDR France 7 93 EUA	22	92¼	93⅛	+0⅛	+0⅛	7.82
Algemene Bk. 6¾ 83 Fl	75	94¼	95	−0⅛	+0⅛	7.79
CFE Mexico 7¾ 83 Fl	75	98¼	99	+0⅛	+0⅛	8.11
EIB 7¾ 85 Fl	75	94⅝	95⅜	+0⅛	+0⅛	8.25
Neder. Midd. 6½ 83 Fl	75	94¼	95	0	+0⅛	8.03
New Zealand 6¾ 84 Fl	75	94¾	95½	+0⅛	+0⅛	7.89
Norway 6½ 83 Fl	100	94¼	94⅞	0	+0½	8.14
Elf Aquitaine 9¾ 88 FFr	150	99	99½	+0⅛	−0⅛	9.85
EIB 9¾ 88 FFr	200	99	99½	0	−0⅛	9.85
Norway 9¼ 84 FFr	200	99½	100	−0⅛	−0⅛	9.37
PSA Peugeot 9¾ 87 FFr	175	99⅜	99⅞	0	−0⅛	9.84
Unilever 10 85 FFr	100	101⅜	102⅛	0	0	9.81
CECA 9¾ 89 £	20	86	86¾	0	−3½	12.05
Citicorp 10 93 £	20	86	86¾	+0½	−0⅛	12.06
EIB 9¾ 88 £	25	88⅛	89⅛	+0⅛	0	11.85
Finance for Ind. 10 89 £	12	86⅝	87⅝	0	−0⅛	12.37
Fisons 10¼ 87 £	10	89⅞	90⅞	+0⅛	0	12.09
BAT 8 88 LuxFr	250	96⅜	97¼	−0⅛	−0⅛	8.42
Bayer Lux. 8 86 LuxFr	250	97½	98½	0	+0⅛	8.35
EIB 7¾ 88 LuxFr	250	96¾	97¾	0	+0⅛	8.17
Finland I. F. 8 88 LuxFr	250	97⅛	98⅛	+0⅛	+0⅛	8.35
Norway 7¾ 83 LuxFr	250	97⅜	98⅜	0	0	8.33
Norges Km. 8 86 LuxFr	500	98⅞	99⅞	0	+0⅛	8.18
Renault 7¾ 88 LuxFr	500	96⅜	97⅛	−0⅛	0	8.21
Solvay Fin. 8 85 LuxFr	500	99¾	100¾	−0⅛	0	7.94
Swedish Bk. 8 88 LuxFr	500	98¼	99¼	0	−0⅛	8.18

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bk. M6.5 83	0½	95⅞	96⅜	31/7	11.44	11.93
BFG Fin. Co. M5.5 89	0¾	98¼	98¾	12/7	12.4	12.59
Bco. El Salvador M8 83	1¼	97⅜	97⅞	12/4	11.31	11.59
Bco. Nac. Argnt. M8 83	0¾	99½	100	23/7	12¾	12.29
Bank of Tokyo M5½ 93	0¼	97¼	97¾	18/4	10½	10.77
Banque Worms M5¾ 85	0¼	98⅛	98⅝	15/6	12	12.20
Bq. E. d'Alg. M8.375 84	0¾	96¾	97	9/8	11¾	12.29
Bq. E. d'Alg. M7.5 85	0⅝	95⅜	95⅝	2/5	12¾	13.37
Bq. Indo et Suez M5½	0¼	99	99½	25/7	12	12.09
Bq. I. Af. Occ. M6.5 83	0¼	97½	98	12/7	12.4	12.69
BNP 5½ 91	0¼	97⅝	98⅛	22/2	11⅞	11.62
CCCE M5.25 98	0¼	97½	98	3/8	11⅞	11.84
Ch. Man. O/S M5¼ 93	0½	97⅝	98½	27/7	11.73	11.98
Credit National M5¼ 88	0¼	98⅛	98⅝	11/7	12.31	12.52
Gotabanken M6 88	0¼	98⅜	98⅞	15/5	12.31	12.48
Ind. Bk. Japan M5½ 85	0¼	†99⅝	100⅛	1/6	12.35	12.37
Liubljanska M7.75 85	1	96⅝	97⅛	18/7	12.94	13.34
LTCB Japan M5¼ 85	0⅛	99¼	99¾	9/5	12.06	12.12
Midland Intl. M5½ 93	0⅜	98⅞	99⅜	20/7	12⅛	12.29
Nat. West. M5½ 90	0¼	98¾	99¼	21/6	12½	12.63
Nipo. Crdt. Bk. M5.5 85	0¼	99⅞	100⅜	22/6	12.81	12.86
OKB M5¼ 88	0⅜	100½	101	18/4	10.56	10.48
Offshore Mining 86	0½	98⅞	99⅜	19/7	12.19	12.30
Petro Mexicano 7¼ 84	0¼	98¾	99¼	24/7	12.06	12.14
Privredna Banka M8 86	0½	95¾	96¼	22/6	13.44	13.96
Standard Chrt. M5,5 90	0½	97½	97⅞	10/8	11.56	11.87
Sundsvallsbnkn. M6 85	0¼	97	97½	4/4	10.06	10.35

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	91⅞	92⅞	+0½	9.37
Baker Int. Fin. 5½ 93	1/79	34	105¾	106¾	+0½	6.35
Boots 6¾ 93	2/79	2.16	96½	97½	+3	−5.81
Coca-Cola Bottling 6¾	4/79	8	84¾	85¾	−0¼	19.31
Honda Motor 5½ 89	5/79	532	93	93¾	0	7.17
Ito-Yokado 5¾ 93	6/78	1339	118¾	119¾	+0⅛	0.98
Novo Industri 7 89	4/79	259	89⅞	90⅞	0	3.31
Texas Int. Air. 7½ 93	4/79	14.5	89½	90	0	10.76
Thorn Int. Fin. 7 88	11/78	3.67	109¾	110¾	+3⅞	−2.43
Tyco Int. Fin. 8½ 88	9/78	21	99½	100	0	21.43
Tyco Int. Fin. 5 84	5/78	61.6	74¾	75¾	+0½	168.50
Asahi Optical 3¼ DM	12/78	586	95⅞	96⅞	+0¼	−1.76
Casio Co. 3½ 85 DM	11/78	841	93¾	94¾	+0⅛	8.23
Izumiya 3½ 86 DM	10/78	989	87½	88½	+1	11.42
Jusco 3½ 86 DM	1/79	1154	87⅞	88⅞	+0½	18.17
Kansai Elec. 4 84 DM	4/79	1350	91¾	92¾	+0⅛	9.41
Konishiroku 3½ 85 DM	1/79	612	88⅞	89⅞	0	10.83
Marudai Food 3½ DM	2/79	1033	87⅝	88⅝	+0⅛	22.38
Murata M. 3½ 86 DM	11/78	854	98⅛	99⅛	−0⅛	−2.27
Nipp. Air. 3.5 88 DM	12/78	508	86⅝	87⅝	+0⅛	4.29
Nippon Shinpan 3¾ DM	8/78	738	95¾	96¾	+0⅛	−0.89
Nippon Yan. 3½ 85 DM	1/79	251	92½	93½	0	4.56
Nissan Diesl. 3½ 86 DM	2/79	477	87⅞	88⅞	+0¼	9.38
Olymp. Opt. 3½ 85 DM	2/79	703	99⅜	100⅜	+1⅛	1.59
Ricoh 3½ 86 DM	10/78	617	92¾	93¾	+0⅛	14.52
Sanyo Electric 3½ DM	11/78	295	87⅞	88⅞	+0⅛	−1.69
Sharp Co. 3½ 86 DM	2/79	487	91¼	92¼	+0⅛	2.83
Stanley Elec. 3½ DM	11/78	623	87⅝	88⅝	0	18.70
Tokyo Elec. 3½ 87 DM	4/79	476	89⅜	90⅜	+0¼	2.47
Tokyu Ld. Co. 4 86 DM	4/79	493	90⅞	91⅞	+0⅛	10.67
Trio-Knwd. 3½ 86 DM	11/78	711	85½	86½	+0½	25.06

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Thomson-CSF moves deeper into U.S. market

By Terry Dodsworth in Paris

THOMSON-CSF, the electronics subsidiary of the French Thomson-Brandt group, is expanding its interests in the U.S. with the acquisition of the transistor division of Solid State Scientific, based in Pennsylvania.

The deal is being made through Dumont Electronics, a wholly-owned subsidiary of Thomson-CSF in the U.S., which is attached to the electronic tubes and components part of the group.

The transistor subsidiary of SSS, will become a division of Dumont.

Thomson-CSF refused yesterday to give figures of the cost of the acquisition but it will bring a manufacturing facility employing about 230 people in Pennsylvania and on the island of Barbados, into the group. Dumont, bought in the early 1960s, has a workforce of 400.

Thomson's plans for the division include an expansion of its U.S. position in RF, VHF and UHF transistors while the range of its activities will be broadened with the injection of the French group's own technology.

It also plans to market the transistor division's products through its own international network.

Christiania Bank ahead

By Fay Gjester in Oslo

CHRISTIANIA BANK one of Norway's "big three" commercial banks, reports net profits of NKr 55.3m ($10.8m) in 1978 against NKr 43.6m in 1977. The improvement was achieved despite increased provision for bad debts and a sharp rise in interest costs from 4.45 per cent of assets, in 1977, to 5.5 per cent last year. It mainly reflects a rise of NKr 26m in net interest income, and a NKr 44m increase in profits on currency transactions.

An unchanged 11 per cent dividend is being paid. Assets rose to NKr 10.6bn at end 1978, about NKr 100m up on a year earlier. Equity capital rose by NKr 111.8m to NKr 584m, chiefly because the book value of some of the bank's real property was written up by a total of NKr 100m.

Currency exchange hurts SKF despite sales rise

BY VICTOR KAYFETZ IN STOCKHOLM

SKF the Swedish-based bearings, steel and machine tools group, reported that pre-tax profit for 1978 before exchange rate differences and extraordinary items amounted to SKr 207m ($47.3m), up from SKr 156m the previous year.

Due to currency exchange losses of SKr159m and a drop of SKr75m in extraordinary income, profit before allocations and taxes plunged from a 1977 figure of SKr327m to only SKr81m.

The Board proposes to pay a dividend of SKr4.50 per share, unchanged for the fourth year running and totalling SKr81m.

SKF showed a stronger fourth quarter recovery than expected in the group's November interim report. Pre-tax profit before exchange rate differences and extraordinary items totalled SKr98m for the first nine months of 1978 but leaped to SKr109m in the final quarter alone.

Group sales of SKF, the world's largest manufacturer of bearings, were up 19 per cent from SKr8bn in 1977 to SKr9.5bn last year.

Sales of ball and roller bearings, which account for roughly three-quarters of group turnover, increased by more than 15 per cent, with the U.S. market showing the best development and most European sales companies recording substantial rises, SKF's report said.

The group's steel division had a turnover 19 per cent higher than in 1977 with sales increases in all market market segments, particularly in the oil and hydraulic sectors being especially significant. Cutting tools sales grew by 23 per cent. Turnover for other products was 30 per cent higher than in 1977. Demand for textile machinery components, castings and machine tools recovered from a trough, SKF said.

Roller bearings made the largest contribution to group profit.

The steel division's losses decreased substantially and a break-even position was attained toward the end of the year, the company said.

The cutting tool division improved results significantly as the previous loss situation in Sweden took a profitable turn, SKF wrote. Development in other product lines was uneven but overall profitability strengthened.

The worsening of SKF's currency exchange position from a 1977 gain of SKr 63m to a loss of SKr 159m was attributable to "differences which arise from currency changes on the conversion of foreign subsidiary balances into Swedish kroner."

These had a detrimental effect of SKr 134m on results, whereas in 1977 they improved the figures by SKr 88m, SKF added.

Net extraordinary income was SKr 33m in 1978 against SKr 108m the previous year.

Group net income dropped from SKr 193m to SKr 109m. Earnings per share, calculated as income before exchange differences, reduced by tax and minority interests, came out to SKr 4.90 per share against SKr 2.30 in 1977.

SKF said it had taken steps to reduce inventories, and these amounted at the end of 1978 to 56 per cent of the year's sales, compared with stocks equivalent to 56 per cent of 1977 sales a year compared with stocks equivalent to 66 per cent of 1977 sales a year earlier.

Capital investments in 1978 were SKr 442m, down from SKr 757m the previous year.

INI to absorb Ministry shares

BY ROBERT GRAHAM IN MADRID

MOVES TO co-ordinate the activities of the state holding company INI with the substantial economic interests held in trust for the state by the Ministry of Finance have been set in motion.

They were confirmed this week by Sr. Arturo Romani, director general of the Patrimonio de Estado, the Ministry of Finance interests held in trust for the nation. He said that ways were being examined to merge these holdings with INI.

The separation from INI of important areas of activity, especially the Ministry of Finance's 51 per cent controlling stake in the petroleum marketing monopoly, Campsa, is a major anomaly. Rumours have been circulating for some time that a rationalisation would be initiated.

A year ago suggestions that the Ministry of Finance transfers its stake in Campsa to INI helped to provoke the departure of the then Minister of Economy, Professor Enrique Fuentes Quintana. The long delayed national energy plan, 1977-87, originaly proposed that the state interests in Campsa be transferred to INI to form a special energy holding. The Socialists and Communists in the new parliament are likely to press for such a solution since 60 per cent of INI's investment is in energy and the continued separation from Campsa has no logic.

In addition to Campsa, the Ministry of Finance holds a 34.5 per cent stake in the telephone monopoly, Telefonica, and a 51 per cent interest in the tobacco monopoly, Tabacalera. Campsa and Telefonica are respectively the first and fourth most important companies in Spain in terms of turnover. However, not only would their transfer increase significantly the ultimate size of INI, it would also add to its profitability. Both concerns are turning in good profits. In addition to holding these shares in the three monopolies, INI also controls a bank, Banco Rural y Mediterraneo. The railways are a separate state holding.

In the past the Ministry of Finance has jealously guarded its control. Being a strong ministry it has been able to resist the demands of the much weaker Ministry of Industry that controls INI. The Ministry of Finance has been supported in this stand by the private shareholders. The lesser interference in management afforded by the Ministry of Finance has proved more attractive to them.

Any solution to this problem would eventually have to tackle another anomaly—that of the sizeable portfolio of the Bank of Spain.

Portugal and Renault near pact on new plant

By Jimmy Burns in Lisbon

THE PORTUGUESE authorities and Renault yesterday began what is believed to be the last stage in negotiations on the French company's plans for a new engine and components factory and the stepping-up of its assembly operations in Portugal.

The project, 30 per cent of which is aimed at the domestic market, was accepted in principal by the Portuguese government nearly two years ago, and is expected to bring some FFr 1.2bn ($280.37m) in investment and to create some 6,000 new jobs.

Final agreement on the scheme has been delayed until now because of Portugal's government crises and the fall in car sales here during the past two years. Last year total sales dropped by about 40 per cent and caused modifications in Renault's original scheme, which was based on a forecast of continuing high consumer demand.

At stake in the latest round of talks is whether the Portuguese government is willing to relax present credit restrictions so as to boost domestic car sales in the coming months.

Increased dividend at PKbanken

By Our Stockholm Correspondent

OPERATING profit of the state-owned PKbanken, Sweden's largest commercial bank, in 1978 was SKR 673.5m ($154.8m) which was 29.2 per cent higher than the SKR 521.4m recorded the previous year. The Board proposes a dividend of SKR 10 per share, against SKR 9.

PKbanken's year-end balance sheet totalled SKR 59bn ($13.6bn), up 17.3 per cent from SKR 50.3bn at the end of 1977. The country's second-largest bank, the privately-owned Svenska Handelsbanken, had assets of SKR 58.5bn on December 31 last year.

PKbanken said it held its market shares in all areas, but loans to the business sector slowed down during 1978 after a period of very rapid growth.

Order upturn at Krupp Steel

BY ADRIAN DICKS IN BONN

THE STEEL-MAKING subsidiary of the Krupp Group, Fried. Krupp Huettenwerke, says in an interim report to shareholders that any improvement in the profitability of the European steel industry in 1979 would depend on how far the European Commission succeeded in its proposals to cut back state subsidies and to help phase out obsolete plant.

The FKH Board said that in volume terms, market conditions had improved from last year. Domestic steel orders had increased thanks both to the pick-up in the West German economy and to the rebuilding of stocks after these had been largely depleted during the stoppage in the industry this winter.

Exports had also shown signs of increasing, but FKH stressed that this would not help the industry's profitability unless there were more stable conditions on foreign exchange markets and co-operation among all members of the European Community in carrying through the Commission's restructuring plans.

For 1978, FKH reports a decline of 1.9 per cent in sales to DM 4.43bn ($2.39bn), at the same time as total steel production was up 6.4 per cent to 5.06m tonnes. This seeming paradox was due, the company said, to a relatively sharp decline in the share of special steels compared to bulk products. In this connection, competition on the special steels market, higher prices for essential alloying metals and production lost in the strike-cum-lock-out all had a negative effect.

Although FKH did not give financial results for 1978 in full, it indicated that losses had been reduced from 1977's DM 40m. Raw materials had been cheaper last year thanks to the decline of the dollar, while a higher rate of capacity use had helped the company benefit more fully from past rationalisation measures. Natural wastage and some earlier retirements had reduced manpower by nearly 1,000 people, enabling gains in productivity.

For 1979, however, the company warned that these circumstances could not be expected to last, while the inadequate return on production of recent years would be further squeezed by the effects of the long stoppage in the industry.

Robeco group to launch commercial property fund

BY CHARLES BATCHELOR IN AMSTERDAM

THE ROBECO Investment Fund Group, whose total assets of Fl 10bn ($5bn) makes it the largest investment group in Europe, will launch an open-ended commercial property fund Rodamco on March 22. The new fund will start with a property portfolio of Fl 529m ($265m). It will then be the largest Dutch property group after Wereldhave.

The Robeco Group has been building up the property sector since 1973 and last year acquired a large part of the Pakhoed holding group's properties as well as the shares of a property investment company jointly owned by Amsterdam-Rotterdam Bank, Pierson, Heldring and Pierson and the Westland Utrecht Mortgage Bank.

The new fund expects to pay a cash dividend of around Fl 3 and make a stock distribution of 3 per cent for the first financial year ending February 29, 1980.

At present, Rodamco has 45 per cent of its property in the U.S., 38.1 per cent in Holland, 7.9 per cent in Belgium, 6.1 per cent in West Germany and 2.9 per cent in France. In the longer term, it hopes to reduce its U.S. holdings to about 40 per cent and its Dutch investments to 25-30 per cent. Relatively low yields and currency uncertainties mean it has no plans at present to invest in the UK. Of its total assets of Fl 529m, Fl 465m are invested in property, Fl 154m in securities and Fl 10m in deposits.

German publisher to increase capital

By Guy Hawtin in Frankfurt

FURTHER strengthening of its capital base remains the target of Bertelsmann, which claims to be the world's largest book publishing group. This is despite last month's decision by shareholders to increase its capital by DM 64m to DM 224.3m.

According to the management, the aim is for the capital to equal 25 per cent of Bertelsmann's total assets. And this explains the 1977-78 decline in net profits, which went back from the previous business year's DM 66.9m to DM 57.9m after an allocation of DM 100m to reserves.

Recent major expansion is reflected in the sales figures which last year rose by 20.4 per cent to DM 3.47bn ($1.85bn). However, a better indication of Bertelsmann's growth rate during recent years can be reached by a look at the 1974-75 sales which amounted to DM 2.06bn.

Real sales growth during the current year is estimated at between 8.5 per cent and 9 per cent, by Herr Reinhard Mohn, the group's chief executive. Again, the main point of expansion will be overseas. Capital investment is planned at DM 187m—well up on 1977-78's DM 158m.

One of the reasons for the interest in expansion overseas is that Bertelsmann has had problems with the Federal Cartel Office. Last year, for instance the group—a major subsidiary of which is Gruner and Jahr, acquired in 1972—was barred from taking over Deutsche Verkehrs Verlag, a medium sized trade publications house.

Mannesmann buys into Latin America

MANNESMANN, the West German steel pipe and mechanical engineering group, has taken over majority control of Movicarga of Sao Paulo, Latin America's largest producer of mining machinery, writes Adrian Dicks from Bonn.

Bank of Helsinki

TUESDAY'S REPORT on the 1978 annual accounts from the Bank of Helsinki wrongly gave the name of the bank as the Bank of Finland.

Buying spree helps Stanbic to target

BY JIM JONES IN JOHANNESBURG

STANDARD BANK Investment Corporation (Stanbic) has announced attributable earnings of R29.5m ($34.9m) for the nine months to December 31—an increase of some 25 per cent in annual terms over the R31.2m for the year to March 31, 1978. The company, an offshoot of Standard Chartered of the UK, has changed its accounting year end from March to December.

In Stanbic's annual report for the year to March 31, 1978, the management set a group target of return on shareholders' funds of at least 16 per cent. The target has been met, after allowing for the shorter accounting period.

The accounting period change makes comparison with the previous 12 month period imprecise. But for the nine months the return on shareholders' funds ran at 12.26 per cent (16.35 per cent in annual terms) against 15.7 per cent during the preceding year.

Stanbic has been helped towards its profit improvement by the introduction of the 4 per cent general sales tax last July. Before the introduction of the tax, consumers went on a buying spree, pushing up demand for credit.

The results of UDC Bank have been included for the first time, helping to lift attributable earnings. Without UDC, the percentage increase would have been 17 per cent. However, additional shares issued to effect the purchase of UDC in April 1978, reduced the adjusted per share earnings increase to 14.5 per cent.

For the nine month period, Stanbic has declared total dividends of 24 cents per share, against 28 cents in the year to March 31, 1978.

Improvement at Unisec

BY OUR JOHANNESBURG CORRESPONDENT

PRE-TAX profits for Unisec, the South African investment company, increased to R6.94m ($8.26m) in 1978 compared with R6.44m for the previous year.

Consolidation of the property investment subsidiary, Unidev, for the full 12 months played a large part in Unisec's 1978 earnings improvement.

Unidev has one of the best property portfolios in the greater Johannesburg area. In the year to December 31, Unidev contributed R524,000 to Unisec's R6.2m taxed earnings. In 1977 when it was consolidated for only six months, the property subsidiary's contribution was R189,000 of the year's R5.3m earnings.

The remainder of last year's improvement followed from early switching of the portfolio into gold and diamond stocks. But the management is confident that with an improving property market, Unidev's contribution will continue to keep pace with earnings growth from the rest of the investment.

Although earnings per share rose from 12.7 cents to 14.8 cents in 1978, Unisec has been less generous in its dividend distribution. The year's total dividend was increased from 10.5 cents to 11.25 cents.

In line with the rest of the Johannesburg market, Unisec has weakened from a recent high 136 cents to its current 127 cents.

Slowdown at merchant banks in Malaysia

By Wong Sulong in Kuala Lumpur

THREE Malaysian merchant banks have this week announced results which deflect the difficult times met last year when merchant banks had to face a situation of tight liquidity and narrow spreads.

Aseambankers Berhad, the most prominent of the 12 merchant banks in the country, reported pre-tax profits of 2.77m ringgit (U.S.$1.3m) for 1978, a few thousand ringgit more than in the previous year.

The bank said that considering the difficult year, the results were "good." Particularly impressive was the growth of income from fees, which rose from 1.3m ringgit to 2.3m ringgit.

Fees, as opposed to fund-based income, constitute 40 per cent of the revenue for Aseambankers, and this is well above the 30 per cent target laid down by the Malaysian central bank, which the merchant banks must reach by the end of 1981.

Instead of paying a dividend, Aseambankers is capitalising on its reserves to make a one-for-five scrip issue to bring paid-up capital to 12m ringgit.

In recent weeks, the bank had taken a 30 per cent stake in Kota Discount House, the fifth discount house in Malaysia.

Pre-tax profits of UDA Merchant Bankers for last year were 1.5m ringgit (U.S.$685,000) or 50,000 ringgit less than in the previous year. The bank's assets, deposits and loans were almost unchanged during the year.

Holderbank takes stake in Queensland cement plan

BY JAMES FORTH IN SYDNEY

QUEENSLAND Cement and Lime Company (QCL) has announced an ambitious A$86m (some US$100m) expansion programme designed to ensure that production of cement is sufficient to supply the needs of the state. The directors yesterday announced a complex project financing package, which will include taking in the major Swiss cement group, Holderbank Financiers Glaris, as a 25 per cent shareholder.

The State Government Insurance Office of Queensland (SGIO), which is already among the larger shareholders, will also end up with a 25 per cent stake. QCL has negotiated agreements to secure access to A$98m, to allow for A$12m standby facilities in case of a cost overrun or a shortfall in internal cash flow.

The package, which was put together by the merchant bank, Schroder Darling, involves term loans, convertible debentures, subordinated debt, share placements and a rights issue to shareholders. It is ambitious because the capital of the company at present is only A$14.66m and the shareholders' funds about A$24m.

The major portion of the funds will come from A$53m in secured terms loans. The Australian Resources Development Bank will put up A$25m, the SGIO A$18m (which carries a state government guarantee), the Australian Industry Development Corporation A$15m and the National Mutual Life Office A$2m.

A placement of up to 6.56m shares will be made to Holderbank and up to 5.86m shares to SGIO, both placements will be made at A$1.25 a share. A further A$3.8m will be raised from existing shareholders through a one-for-four rights issue at A$1.00 a share. The placements and rights issue will lift QCL's capital to A$30.9m.

Holderbank will put up subordinated loans of up to A$8.72m and SGIO A$570,000, while a further A$6.3m will come from a convertible debenture issue, with A$1.5m reserved for prior subscription by shareholders and the remainder to be placed with selected investment institutions.

Overall, Holderbank has agreed to contribute A$19m in shares and subordinated loans, while SGIO will put up a total of A$28m. The directors of QCL expect to pay dividends of at least 10 cents a share on the enlarged capital.

The project involves establishment of limestone and clay mining operations on the central Queensland coast and pumping the slurry 25 miles in a pipeline to Gladstone, where a cement clinker plant will be built. The clinker will be ground at the existing mill near Brisbane. Work is expected to start soon.

At present, QCL cannot supply demand from its clinker plant near Brisbane and had been importing clinker from the South Australian cement group, Adelaide Brighton Cement.

The directors said they considered that reliance on imported clinker or cement would prove disadvantageous in the long term to shareholders and cement consumers. QCL could eventually end up acting solely as a wholesaler of cement.

They said it was clear the funding programme would place a burden on the company's cash flow, both in the cost of servicing the new capital and in meeting loan repayment commitments. The company must therefore generate increased sales revenue which would come partly from increased volume of sales and partly from a lift in cement prices.

The response of Adelaide Brighton, which has considerable excess capacity, to the loss of its Queensland clinker market will be interesting. Some industry observers believe the company could install a bulk cement terminal near Brisbane and take on QCL in its home market.

Trading profit down at Waltons

BY OUR SYDNEY CORRESPONDENT

RETAIL GROUP Waltons managed to lift net earnings on trading operations by only 4 per cent, from R$3.57m to A$3.7m in the six months to January 31. On a pre-tax basis the trading profit dropped 16 per cent from A$5.3m to A$4.4m, but the tax provision was slashed from A$1.7m to A$735,000. The directors gave no reason for the much lower tax.

Waltons has also decided to equity account for the first time for its 50 per cent interest in the finance company, Barclays Credit Corporation. This brought in another A$[illegible] resulting in a 36 per cent increase in the declared operating profit, to A$4.5m.

The lower pre-tax earnings in the latest half is in contrast to several retail groups, which reported buoyant Christmas sales.

The directors said that sales rose 5.4 per cent from A$[illegible] to A$166m. Sales were satisfactory in New South Wales but below expectations in Victoria and Queensland. Sales in wearing apparel showed a satisfactory increase but demand continued to be depressed for consumer durables, which in turn affected volume in instalment credit.

Waltons had a poor year in 1977-78 with earnings tumbling more than 6.2 per cent to A$2.5m. In the last half the group incurred a loss of A$1m. After this result, Waltons entered into a "technology agreement" with the world's largest retail group, Sears Roebuck, but little has been given about the link.

Acmil in hardware offer

BY OUR SYDNEY CORRESPONDENT

ACMIL, one of Australia's largest manufacturing groups, has made a A$12m (U.S.$ 13.48m) offer for hardware group, Dickson Primer (Consolidated). The directors of Acmil said the scheme represented a merger of interests rather than a takeover and that several of its activities would benefit through economies of scale and geographical location. The merchandising operations would be of particular benefit to Acmil.

The offer is two Acmil shares plus 25 cents cash for each Dickson Primer share. Based on Acmil's market price the offer values Dickson Primer shares at A$1.69 compared with a p/e offer market price of A$1.26. The family interests of the Dickson Primer chairman and managing director intend to accept.

The offer is conditional on Dickson Primer not declaring the interim dividend which would normally be paid in June. This will be replaced by a special dividend from Acmil of 2.5 cents for each new share issued under the offer. The new shares will then rank for normal Acmil dividends, starting with the final payment in November. The Acmil directors expect to maintain the existing annual dividend rate of 5.25 cents on the increased capital.

Japan Styrene

PARIS—Japan Styrene, a unit of Mitsubishi Gas Chemical is to acquire an 11 per cent interest in the French plastics concern Plastiques Douff S.A. at a cost of FFr 250,000 ($58,000) according to Chimie Hebdo, a weekly industry publication. AP-DJ

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	6.3.79	27.2.79	AVERAGE YIELD	6.3.79	27.2.79
DM Bonds	102.77	102.44	DM Bonds	6.855	6.921
HFL Bonds & Notes	98.89	98.99	HFL Bonds & Notes	8.550	8.546
U.S. $ Strt. Bonds	95.43	95.44	U.S. $ Strt. Bonds	9.635	9.634
Can. Dollar Bonds	95.73	95.69	Can. Dollar Bonds	10.240	10.241

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Early Wall St. advance of 11.3 in active trade

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—78¾% (80¼%)
Effective $2.0345 39¾% (40¼%)

STOCKS ON Wall Street, after Tuesday's minor setback, staged a fresh widespread advance in active trading yesterday morning as the outlook for Iranian oil exports improved and hopes for the resolution some international problems were raised.

The Dow Jones Industrial Average moved ahead 11.34 to 837.92 at 1 pm, while the NYSE All Common Inde strengthened 52 cents to $55.40 and advances outpaced declines by more than a three-to-one margin. There was a sharp increase in turnover to 21.33m shares from the previous day's 1 pm figure of 15.98m.

Closing prices and market reports were not available for this edition.

Broadcast reports from Iran said oil production rose yesterday to 2m barrels. Reports from Vietnam indicated that Chinese troops have begun withdrawing, while Vietnam has agreed to negotiate if the Chinese pull out completely.

Analysts added that there were increasing hopes that President Carter will manage to get stalled mid-east peace talks moving again.

The steady tone for the dollar recently and a firmer Bond market also helped sentiment.

UV Industries topped the actives list but were unchanged at $33¼. Blocks of 200,000, 150,000 and 110,000 shares were traded at $34. Two weeks ago, Sharon Steel, which already held 16 per cent of UV, attempted to buy 1.3m more shares in a large block, but a Maine Court blocked the attempt. UV is seeking to liquidate.

Gaming shares were strong. Active Caesars World rose 2 to $53¾ and Bally Manufacturing 1¼ to $62¼.

A number of Blue Chip and Glamour issues attracted institutional interest. General Motors climbed ½ to $55¾, IBM 3¼ to $307, Du Pont 1¾ to $133¾, Union Carbide 1½ to $39 and Western Union ½ to $18¾. Active Alcoa gained $1 to $55.

American Reinsurance jumped 5¾ to $58¼ bid in over-the-counter trading. Aetna Life has offered to buy the former's shares for $62 each, topping a $52 a share bid by Linioln National. Aetna added ¾ at $42¼ and Lincoln National ¼ at $38¼.

Savings and Loan stocks, strong on Tuesday on takeover speculation, gained further ground. Financial Federation rose $1 to $32¼.

THE AMERICAN SE Market Value Index was 0.86 higher at 165.01 at 1 p.m. Volume 1.83m shares (1.88m).

Resorts International "A" climbed 1¼ to $51¼ and Golden Nugget 2¾ to $22¾.

Polychrome advanced 1¾ to $25¾. Dai Nippon's U.S. subsidiary has raised its bid for Polychrome to $26 a share and agreed to buy those held by Rhone-Poulenc.

Canada

Shares picked up from an easier start to present a mixed appearance on balance at mid-day after heavy dealings. The Toronto Composite Index was 0.3 harder at 1,396.6 at noon, while Golds gained 3.0 to 1,531.9 and Utilities 0.77 to 206.08, but Oils and Gas lost 11.4 to 1,998.0 and Banks 0.58 to 303.37.

BP Canada, on lower annual earnings, shed ¾ to C$23¼.

Tokyo

Market closed with a firmer inclination yesterday after a moderate business of 240m shares, compared with Tuesday's light volume of 160m shares. The Nikkei-Dow Jones Average picked up 24.44 to 6,017.28.

There was renewed buying interest for speculative issues and export-orientated stocks, while resources-related shares, especially Nippon Oil and Arabian Oil, advanced on reports that Indonesia is planning to cut its supply of crude oil by 10 per cent in the April-June period. Japanese oil industry officials, however, denied the reports about the Indonesian oil cutback.

Nippon Oil gained Y30 to Y814, Teikoku Oil Y14 to Y449, Canon Y16 to Y547, Olympus Optical Y20 to Y755, Sony Y90 to Y1,720, Victor Y30 to Y1,230, Yamanouchi Pharmaceutical Y41 to Y737 and Takeda Chemical Y15 to Y509.

In contrast, Fuji Photo Film receded Y9 to Y635 and C. Itoh Y7 to Y238.

Germany

Share prices were mixed with a firmer bias after thin trading, with optimistic reports emanating from the Frankfurt spring fair gingering sentiment in the Stores sector. The Commerzbank index recorded a gain of 1.2 at 801.5.

Among Stores, Karstadt advanced DM 5.00 and Neckermann DM 4.00, while Horten and Kaufhof gained DM 2.50 apiece.

Siemens, in Electricals, put on DM 1.50, while AEG added DM 1.10. In the Engineerings sector, KHD firmed DM 1.10 and MAN DM 1.00, but Linde declined DM 1.50. Lufthansa lost DM 2.00 and Degussa DM 2.50.

On the Domestic Bond market, prices came under pressure from the new issue of Finance Ministry Schuldscheine, declines extending to 45 pfennigs being sustained by Public Authority issues. The Bundesbank bought a modest DM 5.3m nominal of paper in open market operations. Mark Foreign Loans were generally steady.

Paris

No trading took place for the seventh consecutive session as a wages strike by Bourse employees continued. Negotiations between management and striking broking house employees were scheduled to begin yesterday afternoon.

Johannesburg

Gold shares remained generally in easier vein in light dealings, although losses were modest. A fresh advance in the Financial Rand to 74¼ U.S. cents inhibited trading, but dealers said the one-day strike by about 9,000 white miners had little impact on the market.

Mining Financials were lower in line with producers, but *Union Corporation* advanced 20 cents to R7.00 against the trend in response to the results. Diamond leader De Beers, in contrast, declined 18 cents to R8.77, following results.

Copper shares were mostly unchanged, but Platinums, Colliery issues and Tins eased. Industrials were mixed in a quiet trade.

Australia

Markets closed on an irregular note after fairly active trading. Sellers predominated in early dealings, but these were later countered by buyers from several sources.

Rundle Shale Oil stocks met late support, reported to be on New York account in response to Press comment. Central Pacific Petroleum finished 80 cents up at A$6.00 and Southern Pacific 30 cents higher at A$2.50.

News of Federal Government approval for new coal sales to Japan coupled with rising oil prices gave selected coal stocks a boost, with Thiess gaining 10 cents to A$2.90 and Howard Smith 8 cents to A$4.58.

CSR hardened 3 cents more to A$3.60. The company is one of the coal suppliers just signed up with the steel mills and in addition does have an interesting shale oil prospect at Julia Creek, in Queensland.

Peko-Wallsend, in Uraniums, advanced 16 cents to A$5.90. Hamersley, A$2.45, and North Broken Holdings, A$1.63, gained 5 cents apiece, but the majority of base metal mines were lower on the weakening trend on the London Metals Exchange. CRA receded 9 cents to A$3.71, Renison Tin 20 cents to A$10.90 and Western Mining 5 cents to A$2.21.

Golds, weak initially, rallied near the close on buying from Hong Kong. Consolidated Goldfields closed a net 5 cents firmer at A$4.00.

BHP, A$10.70, relinquished 15 cents of its recent strong rise, while in Retailers, G. J. Coles shed 4 cents to A$2.25, but Tooth was a bright spot in Breweries, up 5 cents at A$1.92. Banks were easier, but Textiles were firm on the Crawford report on manufacturing industry.

Thomas Nationwide Transport, due to release interim results today, retreated 8 cents to A$1.38.

Amsterdam

Shares mostly adopted an easier stance yesterday in slow trading.

Among Dutch Internationals, Unilever were Fl0.40 cheaper at Fl122.60 following the results. Royal Dutch shed Fl0.60.

Algemene Bank Nederland were quoted ex-rights at Fl350, with the new shares changing hands at Fl5.80 and Fl5.75.

Shares with losses of Fl1.00 or more included HVA, OCE-Van der Grinten and Bijenkorf. Heineken and Deli were among the few firmer issues.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
♠ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

Indices

NEW YORK —DOW JONES

	Mar. 6	Mar. 5	Mar. 2	Mar. 1	Feb. 28	Feb. 27	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	826.58	827.36	815.75	815.84	808.82	807.00	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.60	84.47	84.45	84.42	84.56	84.57	90.88 (4/1/78)	84.09 (15/1/79)	—	—
Transport.	208.97	211.04	208.66	207.88	206.85	205.79	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	105.49	105.38	105.11	103.11	102.50	102.23	110.98 (5/1)	97.75 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	24,590	25,690	25,180	25,830	35,170	31,470	—	—	—	—

◆ Day's high 831.34 low 821.55

	Mar. 2	Feb. 23	Feb. 16	Year ago (approx)
Ind. div. yield %	6.04	5.95	5.91	6.22

STANDARD AND POORS

	Mar. 6	Mar. 5	Mar. 2	Mar. 1	Feb. 28	Feb. 27	1978-79 High	1978-79 Low	Since C'mpil'n High	Since C'mpil'n Low
‡Indust'ls	109.01	109.25	107.94	107.93	107.26	107.08	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	97.87	98.06	96.97	96.90	96.28	96.13	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 28	Feb. 21	Feb. 14	Year ago (approx)
Ind. div. yield %	5.28	5.07	5.07	5.37
Ind. P/E Ratio	8.73	9.01	8.98	8.40
Long Gov. Bond Yield	9.06	9.01	8.98	8.23

N.Y.S.E. ALL COMMON

Mar. 6	Mar. 5	Mar. 2	Mar. 1	1978-79 High	1978-79 Low
54.88	54.96	54.37	54.30	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Mar. 6	Mar. 5	Mar. 2
Issues Traded	1,862	1,863	1,863
Rises	586	1,059	793
Falls	752	408	605
Unchanged	524	396	465
New Highs	15	21	11
New Lows	12	23	13

MONTREAL	Mar. 6	Mar. 5	Mar. 2	Mar. 1	1978-79 High	1978-79 Low
Industrial	256.68	256.86	254.71	253.54	256.86 (5/3/79)	162.98 (16/3)
Combined	258.47	258.58	256.35	255.99	258.58 (5/3/79)	170.82 (30/1)
TORONTO Composite	1396.3	1397.5	1388.0	1387.6	1399.1 (21/2/79)	998.2 (30/1)
JOHANNESBURG Gold	251.6	258.3	269.2	275.6	299.7 (7/2/79)	188.8 (20/4)
JOHANNESBURG Industrial	298.8	299.4	302.0	302.1	309.8 (15/2/79)	194.3 (13/3)

GERMANY ◆

Mar. 7	Price DM.	+ or —	Div. %	Yld. %
AEG	61.20	-1.1	—	—
Allianz Versich.	482	-2	31.2	3.2
BMW	226	-1	25.12	6.2
BASF	137.5		18.76	6.8
Bayer	138.4	-0.7	18.75	6.8
Bayer.Hypo	273		28.12	5.1
Bay. Vereinsbk.	285		28.12	4.9
Commerzbank	207		26.56	6.4
Conti Gummi	68.5	-0.2	—	—
Daimler-Benz	305.5		28.12	4.6
Degussa	245.5	-2.5	26.56	5.5
Demag	163	+0.5	17.18	10.6
Deutsche Bank	282.4	-0.1	28.12	5.0
Dresdner Bank	225	+0.6	28.12	6.3
Dyckerhoffze't	176		9.38	2.7
Gutehoffnung	221.9	-0.1	18.26	4.1
Hapag Lloyd	101.0		14.06	7.0
Harpener	148	+2	15.63	5.3
Hoechst	134.3	-0.2	18.76	7.0
Hoesch	48.1		—	—
Horten	153	+2.5	9.36	3.1
Kali und Salz	147	-0.5	14.04	4.8
Karstadt	339	+5	23.44	3.5
Kaufhof	251	+2.5	18.78	3.7
Klockner DM.100	88	-0.6	—	—
KHD	208.2	+1.1	18.76	4.5
Krupp DM.100	94	-1	—	—
Linde	281	-1.5	25	4.5
Lo'brau DM.100	1,520		25	8.2
Lufthansa	95.5	-2	9.38	4.9
M.A.N.	210	+2	18.76	4.5
Mannesmann	165.9	+1	17.18	5.3
Metallges	274	+0.5	15.65	2.8
Munchener Rck	549	-1	28.12	2.6
Neckermann	175	+4	—	—
Preuss'gDM100	158.0		—	—
RheinWestElect	168.8xd	+0.3	25	7.4
Schering	345.8	-0.2	28.12	5.7
Siemens	269.5	+1.5	25	4.6
Sud Zucker	242	+2	17.98	3.7
Thyssen A.G.	105.7	+0.3	17.18	7.8
Varta	177		16.16	4.9
VEBA	144.3	-1.3	9.38	3.2
Vereins&W'stBk	296		28.12	4.8
Volkswagen	238.5	+0.8	25	5.2

TOKYO ¶

Mar. 7	*Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	340		14	2.0
Canon	547	+16	12	1.1
Casio	835	+7	25	1.5
Chinon	365	-3	20	2.7
Dai NipponPrint	540		18	1.7
Fuji Photo	635	-9	15	1.2
Hitachi	249		12	2.4
Honda Motors	470		18	1.9
House Food	966	-2	35	1.8
C. Itoh	238	-7	12	2.5
Ito Yokado	1,500	-10	30	1.0
Jaccs	700		13	0.9
J.A.L.	2,940		—	—
Kansai Elect.Pw	1,150	-10	10	0.4
Komatsu	346		18	2.6
Kubota	283	-4	15	2.6
Kyoto-Ceramic	3,870	+20	35	0.4
Matsushita Ind.	659	+1	20	1.5
Mitsubishi Bank	335		10	1.5
Mitsubishi He'vy	131		12	4.6
Mitsubishi Corp	420	-5	13	1.5
Mitsui & Co	293	-1	14	2.4
Mitsukoshi	495		20	2.0
Nippon Denso	1,300		15	0.6
Nippon Shinpan	756		12	0.8
Nissan Motors	672	-2	16	1.2
Pioneer	2,250	+40	48	1.1
Sanyo Elect.	290		12	2.1
Sekisui Prefab.	770	-1	30	1.9
Shiseido	1,100	-10	20	0.9
Sony	1,720	+90	40	1.2
Taisho Marine	238	-2	11	2.3
Takeda Chem.	509	+15	15	1.5
TDK	1,800		30	0.8
Teijin	138	+3	10	3.6
Tokyo Marine	495		11	1.1
TokyoElect Pow	1,040	+10	8	3.8
TokyoSanyo	368		12	1.6
Toray	185	-5	10	2.7
Toshiba Corp.	147	+2	10	3.4
Toyota Motor	854	+4	20	1.2

Source Nikko Securities, Tokyo

BASE LENDING RATES

A.B.N. Bank	13 %	■ Hambros Bank	13 %
Allied Irish Banks Ltd.	13 %	■ Hill Samuel	§13 %
Amro Bank	13 %	C. Hoare & Co.	†13 %
American Express Bk.	13 %	Julian S. Hodge	14 %
A P Bank Ltd.	13 %	Hongkong & Shanghai	13 %
Henry Ansbacher	13 %	Industrial Bk. of Scot.	13½%
Associates Cap. Corp.	14 %	Keyser Ullmann	13 %
Banco de Bilbao	13 %	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	13 %	Lloyds Bank	13 %
Bank of Cyprus	13 %	London Mercantile	13 %
Bank of N.S.W.	13 %	Edward Manson & Co.	14½%
Banque Belge Ltd.	13 %	Midland Bank	13 %
Banque du Rhone et de la Tamise S.A.	13½%	■ Samuel Montagu	13 %
Barclays Bank	13 %	■ Morgan Grenfell	13 %
Bremar Holdings Ltd.	14 %	National Westminster	13 %
Brit. Bank of Mid. East	13 %	Norwich General Trust	13 %
■ Brown Shipley	13 %	P. S. Refson & Co.	13 %
Canada Perm't Trust	13 %	Rossminster	13 %
Cayzer Ltd.	13 %	Royal Bk. Canada Tst.	13½%
Cedar Holdings	13½%	Schlesinger Limited	13 %
■ Charterhouse Japhet	12½%	E. S. Schwab	14 %
Choulartons	13 %	Security Trust Co. Ltd.	14 %
C. E. Coates	13 %	Shenley Trust	15 %
Consolidated Credits	13½%	Standard Chartered	13 %
Co-operative Bank	*13 %	Trade Dev. Bank	13 %
Corinthian Securities	13 %	Trustee Savings Bank	13 %
Credit Lyonnais	13 %	Twentieth Century Bk.	14 %
The Cyprus Popular Bk	13 %	United Bank of Kuwait	13 %
Duncan Lawrie	13 %	Whiteaway Laidlaw	13½%
Eagil Trust	13 %	Williams & Glyn's	13 %
English Transcont.	13½%	Yorkshire Bank	13 %
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	13 %		
Greyhound Guaranty	13½%		
Grindlays Bank	‡13 %		
■ Guinness Mahon	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10½%, 1-month deposits 10¾%.
† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 11%, and over £25,000 11¼%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

COMMODITIES and AGRICULTURE

Brazil to maintain soya quota

RIO DE JANEIRO — Brazil is not planning to cut back on the 1.1m tonnes or so of soyabean export quotas issued for the current crop, sources from the Foreign Trade Department of the Bank of Brazil (Cacex) said here.

The sources had been asked if, in view of expected crop losses and the further rise in Brazil's crush capacity, Cacex might limit export registrations, currently at around 700,000 tonnes, to less than the full amount of the quotas.

Brazil only exported 657,000 tonnes of soyabeans from its last crop, but this year's output is believed to be even higher than the 9.5m tonnes officially estimated last year.

Most crushers have now signed the commitment with Cacex to meet Brazil's internal meal and oil needs for the season, which are put at 1.1m and 1.6m tonnes respectively.

In Washington meanwhile the U.S. Agriculture Department said moisture was generally light over major maize and soyabean areas of Brazil last week.

The warmth and sunshine should help later southern area yields to recover from the effects of the dryness in January, the Department added.

Rainfall has generally been adequate but late planted fields would benefit from one or two more good rains during the pod filling period, the USDA said.
Reuter

Australian fishing zone 'next month'

CANBERRA — Australia will probably declare a 200-mile fishing zone around its coast next month, Mr. Ian Sinclair, Primary Industry Minister, said here yesterday.

He said the date depended mainly on talks with Japan and South Korea on access to the zone for their fishermen.

"We have not given the Japanese any undertaking it won't be proclaimed before negotiations are completed with them—but I've said it won't be done until about the middle of April and I expect we'll be able to conclude our agreements between now and then," Mr. Sinclair said.

Japan is likely to be most affected and Australia is anxious to avoid the friction that followed New Zealand's declaration of a zone last year.

Shortage fears boost lead

BY JOHN EDWARDS, COMMODITIES EDITOR

CASH LEAD jumped to a record price on the London Metal Exchange yesterday as the "squeeze" on nearby supplies tightened.

Strong buying lifted the cash price by £28.5 to close at £588.5 a tonne. The rise in the three months quotation was more modest. It closed £10.25 higher at £534 a tonne—still below the peak reached last Friday—and eased in late kerb trading.

The main influence in the market is the acute shortage of available supplies. LME warehouse stocks, at just over 15,000 tonnes, are at the lowest level since 1970.

It is feared that if rumours of further Communist bloc buying are true, the stocks available to the market could be reduced to an even lower level.

Historically, new supplies of lead—especially scrap lead—have been quickly attracted to the market when prices are high to relieve any real shortage developing. But on this occasion scrap supplies have been slow to come out, whilst primary lead production has been reduced by the cuts in output of its sister metal, zinc.

As a result there is a world shortage of concentrates and some smelters have been forced to operate well below capacity.

Meanwhile demand has remained strong, especially from the Soviet Union. Other metal prices moved higher yesterday, notably aluminium where a shortage of supplies has forced the cash price to a premium over the three months quotation.

Copper cash wirebars closed £8.25 up at £993.5 a tonne. But the market, after rising in the morning mainly on speculative buying, fell back later on trade selling. It declined even further on the late kerb with the three months quotation trading at £1,003, compared with a high of £1,020 in the morning.

The late fall was attributed to the reaction in New York to a sharp decline in silver. Comex silver futures dropped the permissible limit down of 20 cents an ounce, with heavy selling believed to have been triggered off by apprehension about the results of the IMF gold auction last night.

'Sugar values to stay low'

BRISBANE — World market prices for sugar are likely to remain low at least until well into the second half of 1979, Mr. E. E. Doyle the Queensland Sugar Board's can grower member, said here yesterday, reports Reuter.

Addressing the Queensland Cane Growers' Association annual conference, Mr. Doyle said he expected prices would stay below 12 U.S. cents a pound and any significant increase in 1979 export quotas under the International Sugar Agreement (ISA) was unlikely.

Quotas are currently at their lowest possible level because world prices are below the target level set under the ISA.

The ISA's system of export quotas and compulsory stockholding had prevented most of the estimated 6m tonnes world production surplus in 1978 from finding its way on to the free market, Mr. Doyle said.

Although the lack of a sustained improvement in prices in the past year was disappointing, the significant limitation of supplies' resulting from the ISA export quotas indicated that prices would have been considerably lower in the absence of an effective ISA, he added.

Mr. Doyle said that if the U.S. did not ratify the ISA in the first half of 1979, it was possible some exporting members could be tempted to review their support of the agreement.

He also hoped much more progress would be made on possible EEC membership of the ISA in 1979.

Ratification of the ISA by the U.S. and the granting of a domestic price rise by the Australian Government were two of the most important developments the Australian industry could hope for, he added.

In Brussels meanwhile, the EEC Commission authorised exports of 58,510 tonnes of white sugar (50,950 last week) but none of raws (5,000) at its weekly tenders. The news had little impact on price levels though the total was higher than had been generally expected.

The maximum export rebate for whites was raised to 25.269 units of account per 100 kilos (25.229 last week) but cut to 21.98 UA (2.29) for raws. Countries of origin for whites were France 51,850 tonnes, Belgium 6,000, the UK 410 and West Germany 250 tonnes.

Potato Board lifts support price

BY OUR COMMODITIES STAFF

THE POTATO Marketing Board announced yesterday it is increasing prices paid for potatoes under its crop buying programmes.

The intention is to stimulate offers of surplus potatoes made to the Board and in this way keep market prices up or above present levels.

Growers will receive an extra £3 a tonne for potatoes, supplied under the first or second support buying programmes, which are delivered in March or later months.

The Board launched a second support buying programme in December in an attempt to raise market prices closer to the guaranteed level for growers. So far it has received offers of 200,000 tonnes. But the Board says the rate of offers has declined in recent weeks so it has introduced the higher payments.

One of the main reasons why the offers have declined is that market prices rose sharply as a result of frosts and transport problems which restricted market supplies.

Subsequently farmers have been more preoccupied with catching up with farm work rather than "dressing" potatoes, but it is feared a surplus of delayed supplies may bring a fall in market prices again.

The Board bought 450,000 tonnes under the first support buying programme. It says, however, that to control the market properly it needs to hold more than the estimated surplus this year of 500,000 tonnes.

Only growers actually delivering potatoes to the Board will receive the higher prices offered ranging from £48 in March to £51 in June/July for main crop.

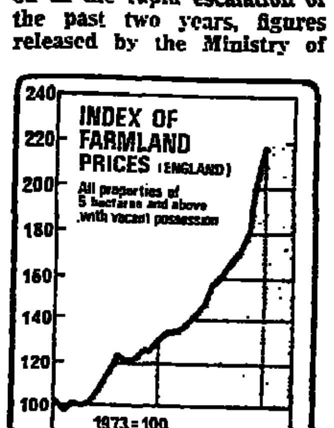
Compensation prices, paid for surplus potatoes left on farms, will also be raised to £43.50 for maincrop and £41.50 for early varieties.

Farm land prices rise sharply

By Christopher Parkes

THE PRICE of farm land in England has taken yet another sharp swing upwards.

While market experts have been forecasting a levelling-off in the rapid escalation of the past two years, figures released by the Ministry of Agriculture yesterday show that in the three months to January the average price rose to £4,090 a hectare (£1,656 an acre).



This was £332 a hectare (£134) higher than in the previous quarter and 54 per cent higher than a year earlier. Prices have more than doubled since the start of 1977.

There was however, a sharp fall in the amount of land changing hands in the period under review.

The figures, accumulated by the Ministry advisory services and the Agricultural Mortgage Corporation, show that only 4,900 hectares were sold compared with 8,700 in the previous quarter and 9,100 hectares in the comparable three months of 1977-78.

It is likely that rising interest rates and declining incomes — they fell in the farming industry by 11 per cent last year in real terms— are tending to make farmers more cautious about moving or expanding their enterprises.

French farmers halt campaign

PARIS — French pig farmers have called off a protest campaign against foreign meat imports during which demonstrators attempted to stop farm produce coming from West Germany, Belgium and Luxembourg.
Reuter

ZAMBIAN AGRICULTURE

The urgent search for maize supplies

BY OUR FOREIGN STAFF

ZAMBIA IS urgently seeking supplies of maize from other African countries to make good the disastrous shortfall in its own production, agricultural experts say.

Talks are underway with Kenya and South Africa after Zambia's maize crop was halved because of poor rains, late fertiliser delivery and a sharp drop in the area planted.

Britain has denied that it was acting as mediator to persuade the Tanzanian Government to re-open its border with Kenya so that maize could pass through to Zambia. But Zambian officials will shortly visit Tanzania and Kenya to discuss both purchases and transport.

Meditation may well be necessary, however, considering the sensitivity of the border issue between Kenya and Tanzania. It was closed in 1977 after the break up of the East African community and although talks aimed at re-opening it are continuing, Zambia's need for grain may well prove more urgent.

The alternative to moving the maize by road would be to ship it from Mombasa to the crowded port of Dar-es-Salaam and then to take it by rail to Zambia.

Although this would be extremely costly, diplomats say the EEC might cover some of the cost. M. Claude Cheysson, the Community's Development Minister recently had talks with the Zambian Government and it is thought he offered to help Zambia.

Kenya is known to be willing and in a good position to supply Zambia with maize. Kenya had a record maize crop last season of around 3m tonnes and has already committed 100,000 tonnes for export through London grain agencies.

It is possible that some supplies could come from Tanzania itself but the main alternative source is South Africa. Mr. Hendrik Schoeman, the South African Agriculture Minister said recently that negotiations for buying yellow maize were continuing.

Traders say that Zambia's request for 500,000 tonnes of white maize over the next six months had been turned down because of drought damage to South Africa's own crop. At the same time Zambia has firmly denied reports that it was negotiating with Rhodesia for maize.

The Zambian authorities are known to have approached international trading houses for their requirements and substantial shipments of maize are expected to be channelled through South African ports, mainly East London, from April onwards.

There are however fears that the imports would create congestion because South Africa's harbours are geared for exports of grain rather than imports. A South African Railways spokesman said: "Our capacity in this respect is limited. But we would help as far as possible."

Zambia says that South Africa has already given an assurance that it can supply anything which Zambia lacks. Zambia's own maize will run out by early 1980 say Zambian officials and there are fears that supplies by rail will be held up because of the heavy burden of fertiliser already being carried and the danger of sabotage by nationalist guerrillas based in Rhodesia.

Annual marketed consumption in Zambia is 7.2m bags in a normal year and maize forms the staple diet for Zambia's 5.5m people. Apart from the poor rains and the lack of fertiliser, the area under maize had fallen from half a million hectares to 293m hectares this year.

Bid to curb frozen pea trade disruption

BY CHRISTOPHER PARKES

BIRDS EYE has taken action to outflank the "cowboys" who, it claims, have been undermining the conventional market for frozen peas.

Under a new scheme the company aims to absorb the surplus, non-contracted production which has kept unorthodox traders supplied to the detriment of the established frozen food businesses.

According to the UK Association of Frozen Food Producers, conventional processors have not made any worthwhile profit on peas for three or four years.

Mr. Mick Coburn, Association president, blamed "cowboys" without contracts for the disruption. Farmers and freelance traders sold peas willy-nilly to anyone prepared to pack and distribute them, he said.

The Birds Eye project will be run as a joint venture with the company's contract growers. It has been instituted following a successful trial run with a few Lincolnshire farmers last year.

The company will provide the seed, harvest the crops where necessary and freeze and sell them on the bulk market for use in catering, freezer centres and own-label brands.

While the special varieties of peas grown for the Birds Eye label are paid for at fixed contract rates, the crops produced under the new scheme will be paid for according to the "best price" the company can make on the free market.

"The market is obviously there because the cowboys are working in it and thriving," Birds Eye said.

Mr. Coburn said companies with spare processing capacity could probably manage to work profitabily in this market. But he was concerned that any company entering it should maintain the highest quality standards which had helped the established frozen food trade to win such a valuable share of food sales.

Mr. Coburn, who warned last year that there might not be enough frozen peas to keep Britain supplied until the start of the new season, added that supplies were still extremely tight.

Recent frosts had ensured there would not now be any reasonable supplies of home-produced fresh vegetables before May and demand for frozen goods would probably be unusually high. His own company, Findus, would "probably just about hold out," he said.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Firmer but well below the day's highest levels on the London Metal Exchange. Forward metal rose to £1020 on the pre-market reflecting the overnight U.S. trend which prompted speculative short covering. However, at the higher levels trade ...

	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	998-9	+9.5	993-4	+8.25
3 months	1016-.5	+8.75	1011-.5	+7.75
Settl'm'nt	999	+9.5	—	......
Cathodes				
Cash	993.4	+18	984-6	+9
3 months	1008-9	+7.7	1002-3	+9.25
Settl'm'nt	994	+10	—	......
U.S. Smt.	—	......	*87-98	

... 18. Cathodes: Three months £1009. Kerb: Wirebars three months £1016.5. Afternoon: Wirebars three months £1018, 17, 17.5, 17, 16, 16.5, 16, 12, 11, 11.5, 12, 11. Cathodes Three months £1003. Kerb: Wirebars three months £1011, 10, 9, 9.5, 9, 8, 9, 10, 9.5, 10, 9, 8, 7, 6, 5, 4, 3.

TIN—Marginally higher. The strength of the Penang market saw forward ...

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7340-60	—10	7310-30	+40
3 months	7250-50	—10	7200-20	+20
Settlem't	7360	—10	—	......
Standard				
Cash	7330-5	—20	7310-25	+37.5
3 months	7210-5	—7.5	7160-95	+25
Settlem't	7335	—20	—	......
Straits. E.	†$1933	+28	—	......
New York	—	......	—	......

Morning: Standard cash £7345, 7330, three months £7220. High grade cash £7360. Kerb: Standard three months £7210. Afternoon: Standard three months £7200, 10, 7200, 7190, 80. Kerb: Standard three months £7190, 80, 70, 60.

LEAD—Record levels were attained by cash material reflecting the continuing tightness of nearby supplies ...

CORAL INDEX: Close 496-501

COCOA	Yesterday's Close	+ or —	Business Done
March	1690.0-85.0	—10.0	1700.0-1676
May	1715.0-16.5	—6.25	1742.0-10.0
July	1724.0-25.0	—16.0	1754.0-25.0
Sept	1748.0-47.0	—14.5	1774.0-45.0
Dec	1805.0-06.0	—5.5	1822.0-1800
March	1852.0-40.0	—0.5	1845.0-52.0

... (86.91, rest nil); Maize (other than hybrid for seeding): 79.43, 0.15, 0.15, 0.15 (80.04, 0.15, 0.15, 0.15); Buckwheat: 4.72, rest nil (4.72, rest nil); Millet: 79.20, rest nil (79.20, rest nil). Grain sorghum: 82.85, 3.04, 3.04, 3.04 (82.85, 3.04, 3.04, 3.04). Flour levies: Wheat or mixed wheat and rye flour: 129.82 (129.82); Rye flour: 133.03 (133.03).

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 7 1979	+ or —	Month ago
Metals			
Aluminium	£710	....	£710
Free Mkt (cs)	$1,476/85	....	$1,380/50
Copper			
Cash w'bar	£993.5	+8.25	£936.5
3 mth	£1,011.25	+7.75	£974
Cash Cathode	£985	+9.0	£950.75
3 mth	£1002.5	+9.25	£960.5
Gold troy oz	$241.125	+2.0	$250.5
Lead cash	£588.5	+28.5	£529
3 mth	£534.25	+10.25	£497
Nickel	£2320.69	....	£2,320.69
Freemkt(cif(lb)	$2.10	....	$1.78
	2.26	....	1.90
Platin'm tr'y oz	£164.5	....	£164.5
Free mkt	£190.15	—1.95	£207.75
Quicksil'ver	$230/40	....	$205/215
Silver troy oz	363.9p	—1.25	363.9p
3 months	373.1p	—1.1	374.85p
Tin cash	£7,320	+40.0	£7,245
3 mths	£7,210	+20.0	£7,172.5
Tungsten	$134.1	....	$134.14
Wolfrm 22.04 cif	$143/49	....	$118/23
Zinc cash	£388	+3.5	£400.75
3 months	£398.75	+3.25	£413.5
Producers	$800	....	$760
Oils			
Coconut (Phil)	$1,000r	....	$1,025
Groundnut	‡	....	‡
Linseed Crude	£395	+3.0	£380
Palm Malayan	$670r	....	$675
Seeds			
Copra Philip	$675q	+5.0	$700
Soyabean (U.S.)	$313.4w	+3.0	‡
Grains			
Barley Futures	£95.7	—0.3	£89.95
Maize			
French No 3 Am	£110	....	£109.75
Wheat			
No. 1 Red Spg.	‡	....	‡
No2HardWint.	£89.25	....	£88.0
Eng. Milling †	£98	....	£96
Other commodities			
Cocoa ship't	£1,743	—10.0	£1,762
Future May	£1,715.75	—6.25	£1,759.5
CoffeeF't'rMay	£1,437	+14.0	£1,508.5
Cotton A'index	75.15c	....	74.7c
Rubber kilo	57.5p	—2.25	60.5p
Sugar (Raw)	£103	+1.0	£97
Wooltp's 64s kl	286p	....	268p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. v March-April. w April. x Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, March 7.

Copper—March 89.55 (89.70), April 90.00 (90.20), May 90.80, July 91.50, Sept. 91.80, Dec. 92.40, Jan. 92.60, March 92.90, May 93.20, July 93.50, Sept. 93.80, Dec. 94.20, Jan. 94.30.

*Gold—March 240.10 (237.80), April 242.50 (239.70), May 244.60, June 246.70, Aug. 251.00, Oct. 255.30, Dec. ...

... May 773-771 (773), July 778-779, Aug. 770½-771½, Sept. 732-734, Nov. 711½-712½, Jan. 720, March 730½.

‖Soyabean Meal—March 196.50-196.30 (196.80), May 202.00-201.80 (202.30), July 205.80-205.60, Aug. 206.00, Sept. 201.80-202.00, Oct. 197.10-197.50, Dec. 197.00-197.10, Jan. 197.50-197.60, March 200.50-201.00.

EUROPEAN MARKETS

... Winter wheat ordinary not offered. U.S. No. 2 Red Winter wheat June $147, July $144. U.S. No. 2 Northern Spring wheat 14 per cent April-May $150.25, May $150.50, June $149.

Maize—U.S. No. 3 Corn Yellow April-June $122.75, July-Sept. $122.50-122.75 traded All. $123.00, March $123, April $123, May $123, April-June $123, July-Sept. $123, Oct.-Dec. $124, sellers.

... Cocoa (FFr per 100 kilos)—March 1424-1430, May 1437-1438, July 1437 bid, Sept. 1487-1495, Dec. 1502-1530, March 1515 bid. Sales at call 6. Accumulative total 44.

Sugar (FFr per 100 kilos)—May 894-998, July 914-918, Aug. 939-945, Oct. 980-985, Nov. unquoted, Dec. 1010-1025, March 1050-1060, May 1070-1085. Sales at call nil.

INDICES

FINANCIAL TIMES

Mar. 6	Mar. 5	M'nth ago	Year ago
270.45	270.25	265.54	231.85

(Base: July 1, 1952=100)

MOODY'S

Mar. 6	Mar. 5	M'nth ago	Year ago
1071.1	1078.4	1019.8	896.0

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 6	Mar. 5	Month ago	Year ago
Spot	375.48	375.30	373.65	353.99
F'tur's	382.26	381.74	371.08	333.06

(Average 1924-25-26=100)

REUTERS

Mar. 7	Mar. 6	M'nth ago	Year ago
1556.0	1546.9	1529.3	1385.1

(Base: September 18, 1931=100)

Buoyant tone demonstrated by All-share index record and fresh sharp gains of £1⅜ in Government stocks

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

A fresh influx of investment funds drawn by considerations that the UK's economic situation has, thanks to North Sea oil, improved relative to other industrialised countries made for buoyant conditions in stock markets yesterday. The FT-Actuaries All-share index hit a best-ever level reflecting the strong tone in the equity sector, while Gilt-edged securities, after Tuesday's reaction, moved ahead again to establish fresh gains extending to 1⅜ points.

The funds designated for industrial shares were sizeable but often directed at stocks already in short supply. This had the effect of creating bear squeezes which gave the upturn added momentum, especially in the case of selected Store issues such as Gussies. On the other hand, some other leading stocks were virtually ignored.

Political considerations in the light of the Government's current precarious position were also a factor in market sentiment along with the NIESR call for a neutral rather than a positively deflationary Budget. The Institute's predictions regarding consumer spending ensured a good interest in the Store sector, while the continued strength of sterling coupled with yields on Government stocks still in excess of foreign counterparts led to revived overseas enthusiasm for British Funds.

The latter, despite the development of more than one reactionary movement during the course of the session, settled at the day's highest and were extending the rise in trade after the official close. Medium-dated stocks scored the larger gains with the recent Government scrip, £15-paid Exchequer 13¼ per cent 1987, on which a call of £35 is due on March 19, reaching £23⅞ after-hours' for an improvement of 1⅞.

Despite below-average performances by at least five of the FT 30-share constituents, the index advanced 10.7 to 496.9 and looked set to break the 500-mark today for the first time since October 20 last. The FT-Actuaries All-share index rose 1.7 per cent to 245.21, its highest since compilation in April 1962.

Revived institutional selling in a market already affected by the trend of sterling brought rates for investment currency down again and the close was two points lower at 78¾ per cent. Yesterday's SE conversion factor was 0.7126 (0.7131).

The Traded Option market attracted a high level of interest in keeping with the surrounding buoyancy. At the close, 1,647 contracts had been completed compared with the previous day's 855. Imps, 273, Grand Metropolitan, 243, and EMI with 225 deals done were the most popular.

Caledonian Holdings touched 158p before shading to 155p for a net rise of 7 on the increased agreed offer worth 159p from London and Midland Industrial, which ended 3 down at 109p. Rival bidders Comet Radiovision finished a penny harder at 118p, after 120p, while Harris Queensway, which conditionally plans to acquire Timberland, the home improvement division of Caledonian, gained 16 to 224p.

Midland better

Home banks took a modest turn for the better after recent profit-taking following the reductions in base lending rates. Ahead of tomorrow's preliminary results, Midland closed 5 better at 395p, after 396p. Reflecting the fresh upsurge in gilt-edged, Discounts moved higher with Union particularly firm at 360p, up 20. Elsewhere, Lloyds and Scottish found support at 118p, up 5.

With the exception of Brentnall Beard, which fell 4 to 32p, after 30p, in reaction to adverse comment, Insurances contributed to the firm trend and closed with gains ranging to 14.

Livelier conditions prevailed in the Brewery sector after the previous day's spell of inactivity. Demand was fairly widespread throughout the list and, with stock sometimes in short supply, prices were quick to respond. Bass stood out with a rise of 6 at 176p, while a brisk business was seen in Allied, 3½ higher at 90½p. Distillers moved up 6 to 233p and buying in an extremely thin market lifted Gough Bros. 12 to 78p.

Demand for Building issues remained selective, but late interest lifted Blue Circle 8 to 282p, London Brick 3½ to 70½p and Redland 5 to 184p. Publicity given to a broker's circular helped BPB record a gain of 13 to 270p. Others to encounter support included SGB which added 9 to 220p and Costain Deferred which improved 10 to 130p.

Business in leading Chemicals remained relatively slow. Fisons, still influenced by the favourable annual results, pushed up 10 to 323p and ICI, with buyers undeterred by the chairman's remarks on current trading uncertainties, firmed 7 to 396p. Allied Colloids met persistent demand and rose 6 to 101p.

Stores buoyant

The encouraging NIESR review on the outlook for consumer spending helped to spark off considerable demand for the Store leaders which continued into the late inter-office dealings. With stock in short supply, quotations moved sharply higher and closing levels were the day's best. Gussies A were outstanding at 354p, up 16, while F. W. Woolworth ended 4 to the good at 74½p following the satisfactory results and property revaluation surplus. Still being bought on a combination of enfranchisement and bid hopes, Burton, 265p, and the A, 242p, rose 10 and 8 respectively, while the Warrants advanced 4 to 101p. Marks and Spencer put on 4 to 97p and British Home added 8 to 198p.

Persistent buying ahead of the shares going ex the 400 per cent scrip-issue on Monday left Status Discount with a rise of 27 at 320p, while MFI Furniture firmed 15 more to a peak of 335p on further demand ahead of the forthcoming reorganisation. Home Charm, 311p, and A. G. Stanley, 197p, rose 8 and 6 respectively, while Cornell Dresses put on 4½ to 20p, after 21p, in response to the profits upsurge. Foster Bros. advanced 11 to 207p and A. and J. Gelfer appreciated 5 to 44p as did J. Hepworth, to 78p.

Electricals claimed a considerable amount of attention. Trading in the leaders was quite lively and EMI revived with a rise of 5 at 122p, while GEC closed similarly dearer at 363p, after 367p. Buyers showed interest in Thorn which advanced to 390p before settling at 386p for a rise of 10. Elsewhere, Kode International responded to the good preliminary results with a rise of 9 to 194p. Muirhead moved up 15 to 275p and Wholesale Fittings were similarly dearer at 274p.

A relatively lively business developed in GKN, which closed 9 to the god at 251p, after 252p. Elsewhere in the Engineering leaders, John Brwn revived with a gain of 6 to 456p, while Hawker Siddeley improved a similar amount to 230p and Tubes firmed 4 to 364p. Assisted by a broker's recommendation, Matthew Hall pushed ahead to close 14 higher at 254p. News of the acquisition of Unichem International continued to stimulate Simon Engineering, up 5 further at 285p, while favourable Press mention prompted a rise of 4 to 45p in J. and H. B. Jackson. James Austin rose 6 to 125p on news that Trumanns Steel Corporation owns 18.7 per cent of the company's share capital. Revived demand in a restricted market lifted Williams and James 8 to 175p.

A busy Foods sector recorded widespread gains with stock shortages accentuating some rises. In Supermarkets, J. Sainsbury put on 16 to 276p, while Tesco firmed 2 to 62p and Associated Dairies added 9 at 245p. Lennons and Bejam improved 3 apiece to 38p and 71p respectively. Elsewhere, Spillers attracted further interest and hardened a penny to 44p, while British Sugar revived with a rise of 11 to 150p, as did Lockwoods, which put on 6 to 114p.

In briskly traded Hotels and Caterers, Trust Houses Forte stood out at 292p, up 10. Ladbroke firmed 6 to 198p and renewed interest lifted Comfort 2 to 33p.

Unilever rally

Persistent demand in a market none too well supplied with stock brought good rises to the miscellaneous Industrial leaders which closed at the day's best. Unilever rallied 20 to 610p following comment on the results and the group's big dividend reserve, while rises of 13 and 18 respectively were recorded in Glaxo, 548p, and Beecham, 668p. Rank Organisation put on 7 to 260p, the new nil-paid shares added 6 to 36p premium and Boots rose 7 to 208p. Still drawing strength from last week's favourable trading statement, Diploma Investments advanced 16 to 256p, after 257p, while improvements of around 7 were recorded in H. Woodward, 48p, Booker McConnell, 268p, and I. C. Gas, 414p. Buyers came again for Vinten, which added 15 to 179. Sothebys and Christies International, however, continued to lose ground on concern about the Office of Fair Trading's investigation into their 10 per cent commission charges; the former cheapened 9 more to 325p and the latter 8 to 140p. Reflecting their disappointing annual statements, Nu Swift Industries gave up 2 to 30p and Westwood Dawes relinquished 3 to 43p.

The Leisure sector displayed two notable contrasting features. In belated response to its recently acquired 60 per cent stake in Page and Moy, LWT A rose 10 to 157p, while Management Agency and Music, a good market of late on takeover suggestions, shed 7 to 164p, after 159p, on the board's denial of a bid approach. Holiday concerns Horizon and Saga encountered further demand—the former put on 7 to 178p, and the latter rose 10 to 227p.

Firm spots among Motors and Distributors included Lucas, which improved 6 to 289p, and Dowty, which added 9 to 288p. Group Lotus picked up 3 to 52p, while in Garages, British Car Auction, interim results next Monday, firmed 4½ to 73p.

Awaiting today's annual results, greetings card concern, W. N. Sharpe put on 11 to 158p.

Properties adopted a quietly firm stance with Hammerson A 20 up at 750p, while County and District and Property Partnerships added 5 apiece to 176p and 138p respectively. Belfast-based Laganvale Estates jumped 9 to 23p on news that Mereghyll Investments had acquired a 51 per cent stake in the company.

Oils advance

Oil leaders made a good showing, but after a reasonably brisk trade during the morning, interest tended to fade. The final tone, however, was fully firm and British Petroleum closed 16 higher at a fresh peak of 1064p, while Shell gained 8 to 660p awaiting today's annual results. Among the more speculative issues, Aran Energy moved up 10 to 90p and Attock 8 to 88p.

Trusts recrded widespread gains, while in Financials, Dalgety rose 9 to 330p following news of the £7m agreed bid for Winchcombe Carson.

Among Shippings, P and O Deferred eased to 70p before recovering to close 1½ dearer on balance at 72½p, while Furness Withy met with support at 232p, up 7.

Among Tobaccos, Imps were reasonably active and closed 2½ to the good at 95½p.

In South Africans, Greatermans A lost 17 more to 160p on further consideration of the poor interim figures.

The impressive profits forecast by Guthrie in defence to Sime Darby's offer brought only a modest response from the former, which touched 520p before closing 2 better on balance at 517p; S.D. closed 2 lower at 97p.

Golds edge higher

South African Golds made progress for the first time in eight trading days following the further $2 improvement in the bullion price to $241.125 per ounce in front of the outcome to yesterday's International Monetary Fund gold auction.

Share prices edged higher throughout the day and were unaffected by news of the widespread strikes at the South African mines. Most of the buying came from Johannesburg and the Continent.

The Gold Mines index added 1.0 at 160.0, while the ex-premium index put on 0.6 at 114.0.

De Beers were notably weak in an otherwise mixed South African Financials section; profit-taking after the excellent results saw the shares fall from 452p at the outset to 444p at the close for a net loss of 12 reflecting widespread London and overseas selling.

On the other hand Union Corporation made good progress following its results to finish 6 higher at 354p.

General Mining marked time at 445p following news that the 1978 results have been delayed until next Tuesday.

The Rundle oil shale partners were a feature in Australians as heavy American buying pushed Central Pacific Minerals 70 higher at 470p and Southern Pacific Petroleum up 30 to 200p.

Uraniums moved up on news that the Federal Government has given the go-ahead to the Nabarlek project of Queensland Mines. Pancontinental were outstanding and finally 75 firmer at 950p, after 975p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	16	1,064	+16	1,064	720
Shell Transport	25p	13	660	+8	660	484
De Beers Defd.	R0.05	11	444	−12	488	285
GUS "A"	25p	11	354	+16	354	256
Unilever	25p	11	610	+20	610	476
GEC	25p	10	363	+5	367	233
Allied Breweries	25p	9	90½	+3½	94	78
ICI	£1	9	396	+7	421	328
Marks & Spencer	25p	9	97	+4	97	67½
Sotheby P. B.	25p	9	325	−9	400	175
Thorn Elect.	25p	9	386	+10	400	308
EMI	50p	8	122	+5	190	115
Johnson Matthey "New"	Nil/pd.	8	28pm	+3	40pm	25pm
Lloyds Bank	£1	8	308	−2	328	242
UDS	25p	8	105	+3	111	82

FINANCIAL TIMES STOCK INDICES

	March 7	March 6	March 5	March 2	March 1	Feb. 28	A year ago
Government Secs.	71.60	71.15	71.67	71.40	70.18	70.60	75.87
Fixed Interest	72.01	71.67	72.25	71.12	70.41	70.94	77.41
Industrial	496.9	486.2	484.6	484.6	475.1	481.8	446.7
Gold Mines	160.0	159.0	161.2	169.3	171.7	176.8	[illegible]
Gold Mines (Ex-$ pm)	114.0	113.4	113.9	117.4	119.0	120.5	[illegible]
Ord. Div. Yield	5.66	5.79	5.79	5.81	5.92	5.87	[illegible]
Earnings, Y'ld % (full)	14.69	15.12	15.13	15.19	15.47	15.34	17.79
P/E Ratio (net) (*)	8.86	8.57	8.57	8.53	8.38	8.45	[illegible]
Dealings marked	6,729	6,453	6,734	6,869	6,498	7,329	[illegible]
Equity turnover £m.	—	97.33	133.56	110.65	135.95	150.41	[illegible]
Equity bargains total	—	21,542	20,787	19,159	18,930	23,222	14,729

10 am 491.5. 11 am 492.8. Noon 494.0. 1 pm 495.0. 2 pm 495.1. 3 pm 495.3.
Latest Index 01-246 8026.
*Nil = 8.59.
Basis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (3/1/78)	64.64 (8/2/78)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (23/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (18/4/78)	337.1 (3/4/74)	54.3 (25/3/76)

S.E. ACTIVITY

	March 7	March 6
—Daily		
Gilt Edged	146.4	[illegible]
Industrials	244.7	[illegible]
Speculative	43.6	[illegible]
Totals	153.2	[illegible]
5-d'y Av'r'ge		
Gilt Edged	156.8	[illegible]
Industrials	224.9	[illegible]
Speculative	46.9	[illegible]
Totals	145.9	[illegible]

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
May 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Active dealings were reported in the Option market with money given for the call of Spillers, Hensher "A," Premier Consolidated, Coral Leisure, Burton Warrants, English China Clays, P & O Deferred, Robert Kitchen Taylor, Blue Circle, Deltenne, British Land, MFI Furniture, Kelsey Industries, Status Discount, P. C. Henderson "A," Siebens (UK), M. F. North, EMI, Rank International, Bowater, Great Portland Estates, Town and City Property, Bejam, Magnet and Southerns, Grand Metropolitan, Ultramar, Burmah Oil and Hawtin. British Petroleum and Marks and Spencer were dealt in for the put, while double options were arranged in Bejam and MFI Furniture.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (199)

BRITISH FUNDS (7)
FOREIGN BONDS (1)
CANADIANS (1)
BANKS (7)
BEERS (15)
BUILDINGS (10)
CHEMICALS (6)
DRAPERY & STORES (25)
ELECTRICALS (14)
ENGINEERING (12)
FOODS (7)
HOTELS (3)
INDUSTRIALS (33)
INSURANCE (1)
LEISURE (4)
MOTORS (3)
NEWSPAPERS (6)
PAPER & PRINTING (5)
PROPERTY (17)
SHIPPING (1)
SHOES (4)
TEXTILES (1)
TOBACCOS (1)
TRUSTS (6)
OILS (6)
OVERSEAS TRADERS (2)
MINES (1)

NEW LOWS (2)

SHIPPING (2)
Ocean Transport P. & O. Defd.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	76	—	7
Corpns., Dom. and Foreign Bonds	17	3	[illegible]
Industrials	534	84	[illegible]
Financial and Prop.	255	38	[illegible]
Oils	15	5	[illegible]
Plantations	4	7	[illegible]
Mines	55	32	[illegible]
Recent Issues	8	7	17
Totals	963	176	[illegible]

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct Closing offer	Oct Vol.	Equity close
BP	900	172	—	188	1	206	2	1062p
BP	1000	72	9	103	—	128	—	"
BP	1050	36	11	70	—	95	—	"
Com. Union	160	7	19	11	—	15	—	161p
Cons Gold	180	30	—	33	30	41	—	205p
Cons Gold	200	12	2	18	—	28	—	"
Cons Gold	220	4	8	11	23	16	—	"
Courtaulds	100	13	5	15	—	16½	—	111p
GEC	330	42	33	57	10	68	—	365p
GEC	360	17½	100	36	17	49	—	"
Grand Met.	110	28	—	31½	15	33½	—	137p
Grand Met.	120	18	19	22½	20	27	6	"
Grand Met.	130	10	52	16	15	19	2	"
Grand Met.	140	4½	74	10½	40	14	—	"
ICI	330	73	10	83	10	92	—	397p
ICI	360	44	—	54	5	63	5	"
ICI	390	16	64	33	10	41	10	"
ICI	420	4½	37	16½	28	—	—	"
Land Secs	220	68	1	73	—	—	—	283p
Land Secs	240	48	1	54	—	61	—	"
Land Secs	260	29	20	38	—	46	—	"
Land Secs	280	13	—	24	10	35	—	"
Land Secs	300	5	3	13½	20	22	—	"
Marks & Sp	90	9½	49	12½	12	15	—	97p
Marks & Sp	100	3½	77	7	—	9	—	"
Shell	550	117	19	130	—	142	—	660p
Shell	600	67	2	87	—	96	—	"
Shell	650	25	10	48	3	66	11	"
Shell	700	7½	115	24	3	35	—	"
Totals			740		272		36	
		May		August		November		
BOC Intl.	80	3	—	4½	4	6	2	75p
Boots	180	33	43	37	—	44	—	206p
Boots	200	16½	28	24	—	30	—	"
Boots	220	6½	12	12	10	19	—	"
EMI	110	19	—	23	—	28	2	"
EMI	120	12½	52	16	6	21	10	123p
EMI	130	7	95	12	7	15½	1	"
EMI	140	4½	46	8	—	11	—	"
EMI	160	1½	6	3½	—	—	—	"
ImperialGp	80	18½	—	19½	2	20½	—	95p
ImperialGp	90	9	33	10½	20	11½	33	"
ImperialGp	100	2	109	5	76	6½	—	"
RTZ	280	24	1	34	—	45	—	290p
RTZ	300	16	—	26	—	36	1	"
Totals			425		125		49	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
65	F.P.	20/2	158	66	Caledonian Hldgs.	155	+7	b7.3	1.6	7.0	13.3
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hunting Assoc. Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	M.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sedgwick F.New10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Assoc. Dairies 9¼% Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Chepstow Race's 8% Cnv. Uns. Ln. 1988	[illegible]	[illegible]
100p	[illegible]	[illegible]	[illegible]	[illegible]	Findlay 8% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 8% Red. Prf. 1986	[illegible]	[illegible]
98	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Southern Water 8% Red. Prf. 1984	[illegible]	[illegible]
100p	F.P.	[illegible]	[illegible]	[illegible]	Rivington Read 9¼% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Shaw Carpets 12% 2nd Cum. Pref. £1	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Algemene Bank Nederland	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bank of Nova Scotia	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Haslemere Estates	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hawkins & Tipson	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hirst & Mallinson	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Johnson Matthey	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Macpherson (D)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Montfort	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Redman Heenan	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sekers Int.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Swan Ryan Int.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., March 7, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., Mar. 6 Index No.	Mon., Mar. 5 Index No.	Fri., Mar. 2 Index No.	Thurs., Mar. 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	246.38	+1.4	16.41	5.43	8.28	242.87	243.15	242.09	237.95	[illegible]
2	Building Materials (28)	219.78	+1.7	17.44	5.97	7.89	216.03	217.03	216.08	213.13	[illegible]
3	Contracting, Construction (28)	367.90	+2.3	20.91	5.54	6.73	359.52	361.51	359.91	358.36	[illegible]
4	Electricals (15)	595.39	+1.4	12.95	3.19	10.57	587.42	584.42	588.78	568.43	[illegible]
5	Engineering Contractors (12)	377.79	+1.6	17.83	5.99	7.58	371.87	374.50	368.59	366.37	[illegible]
6	Mechanical Engineering (73)	188.25	+1.1	17.62	5.93	7.56	186.15	186.49	184.51	182.46	[illegible]
8	Metals and Metal Forming (16)	166.93	+1.2	16.64	8.78	8.06	164.92	165.53	163.28	162.19	[illegible]
11	CONSUMER GOODS (DURABLE) (53)	223.84	+1.3	16.05	4.82	8.31	220.94	221.19	219.10	217.38	[illegible]
12	Lt. Electronics, Radio, TV (16)	296.75	+1.3	13.09	3.52	10.71	292.81	292.65	288.37	286.49	[illegible]
13	Household Goods (12)	160.06	+0.5	18.54	6.83	7.45	159.21	159.47	159.35	158.72	[illegible]
14	Motors and Distributors (25)	121.03	+1.4	21.48	6.99	5.82	119.35	119.86	119.77	118.41	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (170)	231.14	+2.5	15.13	5.63	8.70	225.49	225.02	223.34	219.95	[illegible]
22	Breweries (14)	245.78	+2.9	15.54	6.12	8.17	238.84	238.75	234.17	232.49	[illegible]
23	Wines and Spirits (6)	326.72	+2.3	14.22	4.56	10.33	319.41	318.07	317.57	310.00	[illegible]
24	Entertainment, Catering (17)	307.78	+2.2	14.31	6.15	9.23	301.18	299.04	298.00	292.34	[illegible]
25	Food Manufacturing (19)	216.45	+2.5	17.36	5.13	7.68	211.27	212.80	212.09	209.65	[illegible]
26	Food Retailing (15)	265.65	+3.0	12.15	4.44	11.20	258.01	257.41	253.69	251.30	[illegible]
32	Newspapers, Publishing (12)	406.80	+1.3	20.16	6.01	7.04	401.43	403.15	401.23	399.39	[illegible]
33	Packaging and Paper (15)	145.76	+1.3	17.37	7.23	7.51	143.91	143.99	143.65	140.36	[illegible]
34	Stores (40)	218.94	+3.6	11.18	4.35	12.81	211.31	209.64	208.00	204.13	[illegible]
35	Textiles (23)	178.11	—	18.17	8.54	7.12	178.11	178.57	178.01	175.89	[illegible]
36	Tobaccos (3)	267.30	+1.6	21.31	7.70	5.39	263.18	262.78	260.12	256.59	[illegible]
37	Toys and Games (6)	93.58	+0.4	23.71	6.94	4.97	93.23	93.58	93.75	94.52	[illegible]
41	OTHER GROUPS (99)	210.79	+1.8	14.59	6.01	8.82	207.10	207.65	206.64	203.70	[illegible]
42	Chemicals (18)	303.09	+1.8	14.61	6.47	8.86	297.78	298.18	297.05	291.29	[illegible]
43	Pharmaceutical Products (7)	262.17	+2.3	10.60	4.44	11.43	256.27	255.64	253.93	250.81	[illegible]
44	Office Equipment (6)	138.90	+2.4	14.55	5.85	8.66	135.59	136.79	134.81	132.07	[illegible]
45	Shipping (10)	419.99	+1.6	14.40	7.24	8.81	413.57	414.65	423.71	426.65	[illegible]
46	Miscellaneous (58)	227.46	+1.3	17.11	6.33	7.71	224.44	225.71	224.05	221.19	[illegible]
49	INDUSTRIAL GROUP (494)	236.79	+2.0	15.39	5.61	8.59	232.21	232.23	230.79	227.35	[illegible]
51	Oils (6)	593.12	+1.4	11.78	3.39	9.23	585.08	589.82	583.89	574.51	[illegible]
59	500 SHARE INDEX	266.01	+1.9	14.79	5.24	8.69	261.12	261.48	259.70	255.78	[illegible]
61	FINANCIAL GROUP (115)	189.51	+1.2	—	5.30	—	187.21	187.84	187.70	182.62	[illegible]
62	Banks (6)	227.78	+0.7	27.29	5.24	4.87	226.20	227.66	231.22	222.39	[illegible]
63	Discount Houses (10)	240.12	+2.2	—	7.69	—	234.93	236.74	233.68	232.22	[illegible]
64	Hire Purchase (5)	178.54	+2.9	18.06	4.93	7.11	173.59	174.24	171.40	168.33	[illegible]
65	Insurance (Life) (10)	141.14	+1.9	—	6.66	—	138.56	138.39	135.72	133.17	[illegible]
66	Insurance (Composite) (7)	133.83	+2.1	—	6.93	—	131.08	130.88	130.80	126.94	[illegible]
67	Insurance Brokers (10)	320.41	+1.2	15.53	6.00	9.23	316.72	317.93	318.46	313.57	[illegible]
68	Merchant Banks (14)	84.54	+0.4	—	5.93	—	84.20	83.90	83.18	81.98	[illegible]
69	Property (43)	326.00	+0.9	3.28	2.49	48.80	323.21	325.58	322.18	313.58	[illegible]
70	Miscellaneous (10)	119.09	+0.6	18.97	6.65	6.56	118.39	118.55	117.83	117.75	[illegible]
71	Investment Trusts (111)	219.30	+0.9	—	4.99	—	217.36	216.44	213.96	213.68	177.49
81	Mining Finance (4)	123.24	+0.7	15.25	5.78	8.07	122.32	123.93	125.06	123.98	[illegible]
91	Overseas Traders (20)	351.56	+2.0	13.87	6.97	9.17	344.72	346.53	346.57	342.61	[illegible]
99	ALL-SHARE INDEX (750)	245.21	+1.7	—	5.29	—	241.15	241.57	240.21	236.35	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed., Mar. 7	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.62	+0.42	—	1.87
2	5-15 years	116.10	+0.91	—	1.23
3	Over 15 years	120.60	+0.82	—	2.24
4	Irredeemables	132.74	+0.73	—	1.78
5	All stocks	113.51	+0.68	—	1.88

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Wed., Mar. 7	Tues., Mar. 6	Year ago (approx.)
1	Low Coupons	5 years	9.13	9.23	[illegible]
2		15 years	10.84	10.99	[illegible]
3		25 years	11.65	11.77	[illegible]
4	Medium Coupons	5 years	11.51	11.69	[illegible]
5		15 years	12.22	12.32	[illegible]
6		25 years	12.37	12.48	[illegible]
7	High Coupons	5 years	11.92	12.11	[illegible]
8		15 years	12.71	12.83	[illegible]
9		25 years	12.80	12.91	[illegible]
10	Irredeemables		11.09	11.17	[illegible]

		Wed., March 7 Index No.	Yield %	Tues., Mar. 6	Mon., Mar. 5	Fri., Mar. 2	Thur., Mar. 1	Wed., Feb. 28	Tues., Feb. 27	Mon., Feb. 26	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	54.21	‡13.68	53.88	53.64	53.51	53.46	52.57	52.07	51.97	60.87
16	Investment Trust Prefs. (15)	49.89	14.09	49.89	49.89	49.80	49.80	49.60	49.25	49.25	[illegible]
17	Coml. and Indl. Prefs. (20)	69.95	13.42	69.80	69.78	68.69	68.69	69.53	69.25	68.30	[illegible]

‡ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Section	Change	Section	Change
Property	+20.88	Insurance (Composite)	+7.00
Mining Finance	+20.80	Other Groups	+6.87
Overseas Traders	+17.78	Consumer Goods (Durable) Group	+6.66
Oils	+15.79	Building Materials	+6.22
Banks	+15.70	Hire Purchase	+6.09
Food Retailing	+13.35	Food Manufacturing	+5.81
Wines and Spirits	+13.07	Pharmaceutical Products	+5.58
Entertainment and Catering	+12.57	Engineering Contractors	+5.50
Golds Mines F.T.	+12.37	Office Equipment	+5.34
Tobaccos	+11.94	Capital Goods Group	+5.28
Electronics, Radio and TV	+11.80	Insurance (Life)	+4.08
Financial Group	+11.53	Metal and Metal Forming	+3.50
Stores	+11.36	Breweries	+3.18
Discount Houses	+10.33	Mechanical Engineering	+2.68
Packaging and Paper	+10.08	Insurance Brokers	+2.32
All-Share Index	+9.50	Toys and Games	+1.93
Electricals	+9.44	Shipping	+1.81
Newspapers and Publishing	+9.12	Contracting and Construction	+0.44
Consumer Goods (Non-durable) Group	+9.11	Textiles	−0.16
Merchant Banks	+8.79	Motors and Distributors	−0.18
500 Share Index	+8.71	Household Goods	−4.29
Chemicals	+8.19		
Industrial Group	+7.40		
Investment Trusts	+7.18		

† Percentage changes based on Tuesday, March 6, 1979 indices.

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AUTHORISED UNIT TRUSTS

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050

Minster Feb. 26	37.5	39.5	....	6.38
Exempt Feb. 28	104.9	108.9	....	5.14

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-930 7333

MLA Units	51.2	53.8	....	3.53

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	80.9	86.3	....	3.33

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15, Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	53.3	56.8	+0.6	6.48
Mutual Inc. Tst.	74.8	79.8	+0.5	7.27
Mutual Blue Chip	45.9	49.9	+0.4	6.53
Mutual High Yld.	59.3	63.5	+0.4	8.50

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9151

Income March 1	152.2	157.8	....	6.34
(Accum. Units)	212.0	219.8	....	6.34
Capt. March 1	134.6	139.8	....	3.47
(Accum. Units)	164.2	170.2	....	3.47

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	50.1	53.4	....	4.80
(Accum. Units)*	62.4	66.4	....	4.80
NPI O'seas. Trust	135.4	143.3	....	2.20
(Accum. Units)**	146.5	155.1	....	2.20

**Prices on Feb. 21. Next dealing March 29. *Prices on Feb. 28. Next dealing March 14.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060.

Capital (Accum.)	74.0	79.5	+0.2	2.47
Extra Inc.	68.8	73.9	+0.7	8.12
Financial	36.6	39.3	+0.4	5.01
Growth Inv.	92.5	99.4	+1.1	4.81
Income	37.3	40.1	+0.4	6.94
Portfolio Inv. Fd.	75.1	78.6	+1.1	5.05
Universal Fd.(d)	54.4	58.4	-0.3	2.30

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5911

Nelstar	64.5	67.8	+0.9	5.30
Nelstar High Inc.	50.3	52.9	+0.6	7.75

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fd.	387.4	407.8	+5.5	5.00

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2 01-247 6533

Prolific Units	90.1	96.5	+0.7	3.09
High Income	134.0	143.5	+1.1	7.11

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH 01-405 9222

Prudential	138.5	147.0	+2.0	4.54

Quilter Management Co. Ltd.♥
The Stk. Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	117.9	122.9	....	3.96
Quadrant Income	135.5	139.7	....	7.94

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	70.5	75.4	....	5.67
Sekforde T. (Acc.)	46.8	50.1	+0.5	5.14
Sekforde T. Inc.	44.7	47.6	+0.4	5.14

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	95	102	....	2.40
Ridgefield Income	94	100	....	10.10

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Equity Fund	181.8	193.4	+1.9	3.49
N.C. Engy. Res. Tst.	114.2	121.4	-0.9	2.43
N.C. Income Fund	161.6	171.9	+1.4	6.94
N.C. Intl. Fd. (Inc.)	85.1	90.5	-0.4	1.79
N.C. Intl. Fd. (Acc.)	86.2	91.7	-0.4	1.79
N.C. Smllr Coys Fd.	179.2	190.7	+1.9	3.54

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American March 1	65.5	69.0	....	1.40
Securities Mar. 6	187.5	197.0	....	4.35
High Yield March 2	55.3	58.7	....	9.08
(Accum. Units)	80.8	84.9	....	9.08
Merlin March 7	85.4	89.9	+0.2	3.85
(Accum. Units)	107.5	113.2	+0.3	3.85

Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jermyn Street, S.W.1. 01-629 8252

Capital Fd.	70.8	74.7	....	3.48
Income Fd.	70.4	74.3	....	7.56

Prices at Feb. 28. Next dealing March 15.

Save & Prosper Group♥
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds

Capital	37.8	40.6	+0.2	2.47
I.T.U.	26.5	28.4	+0.1	4.07
Univ. Growth	69.0	74.1	+0.2	2.27

Increasing Income Fund

High-Yield	56.0	60.2	+0.7	7.11

High Income Funds

High Return	69.9	75.1	+0.5	8.53
Income	44.4	47.7	+0.3	9.51

Schlesinger Trust Mngrs. Ltd. (a) (z)
140, South Street, Dorking. (0306) 86441

Am. Exempt	21.8	23.0	-0.1	4.47
Am. Growth	26.7	29.0	-0.2	2.19
Am. Smaller Cos.	28.1	30.2	-0.1	—
Exempt High Yld.	28.3	29.8	-0.2	7.85
Exempt Mkt. Ldrs.	28.9	30.4	+0.5	4.15
Extra Inc. Tst.	30.5	33.2	+0.1	9.37
Income Dist.	41.6	45.5	+0.3	9.51
Inc. 10% Wdrwl.	31.7	34.6	+0.3	—
Intl. Tst. Units	25.8	27.8	....	5.55
Intl. Growth	48.3	52.5	-0.1	3.40
Market Leaders	32.6	35.2	-0.5	4.37
"Nil Yield"	29.5	31.6	-0.5	—
Pref. & Gilt Trust	22.9	24.6	-0.1	12.54
Property Shares	35.3	38.4	+0.3	1.67
Special Sit. Tst.	37.0	39.8	+0.5	1.86
U.K. Grth. Accum.	24.4	26.3	+0.3	5.08
U.K. Grth. Dist.	21.0	22.6	+0.2	5.08

J. Henry Schroder Wagg & Co. Ltd.♥
120, Cheapside, E.C.2. 01-240 3434

Capital March 6	110.3	114.3	....	3.21
(Accum. Units)	134.5	139.5	....	3.21
Income Mar. 6	201.3	208.6	....	7.35
(Accum. Units)	307.5	318.7	....	7.35
General March 7	94.0	97.9	+0.3	4.26
(Accum. Units)	118.9	123.8	+0.4	4.26
Europe Feb. 22	32.6	34.6	....	2.93
(Accum. Units)	36.2	38.5	....	2.93
*Pn&ChaFd Feb. 20	175.1	180.5	....	4.45
*Recovery March 6	219.9	226.6	....	4.63
Spec. Ex. March 6	295.3	304.6	+17.1	3.77

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq., Edinburgh 031-556 9101

Income Units	54.0	57.4	....	5.24
Accum. Units	62.8	66.8	....	5.24

Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry Hse., E.C.4 01-236 5000

Sebag Capital Fd.	35.4	40.2	+0.7	3.74
Sebag Income Fd.	32.2	33.7	+0.3	8.11

Security Selection Ltd.
15-19, Lincoln's Inn Fields, WC2 01-831 6936-9

Unvl Gth Tst Acc.	25.2	26.9	....	4.52
Unvl Gth Tst Inc.	21.4	22.8	....	4.52

Stewart Unit Tst. Managers Ltd. (a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund

Standard Units	59.6	63.1	....	1.50
Accum. Units	64.8	68.7	....	1.50
Withdrawal Units	47.9	50.8	....	—

*Stewart British Capital Fund

Standard	146.5	160.0	+1.8	4.15
Accum. Units	159.4	185.3	+1.1	4.15

Dealing †Tues. & Fri. *Wed.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$313.99	....	2.40
Jardine J'pn. Fd.*	HK$397.14	....	0.90
Jardine S.E.A.	$US17.37	....	1.90
Jardine Flem. Int.	$HK12.03	....	—
Intl. Pac. Secs. (Inc.)	HK$13.34	....	—
Do. (Accum.)	HK$13.53	....	—

NAV Feb. 15. *Equivalent $US85.17. Next sub. day February 28.

CMT Ltd. Feb. 22	£13.90	14.26	....	2.80
Metals Tst. Feb. 15	£15.04	15.41	....	5.46
TMT Feb. 8	$US10.45	10.72	....	2.86
T.M.T. Ltd. Feb. 8	£10.51	10.78	....	1.26

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth. Fd.	$US16.44	+0.05	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	103.0	103.9	....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Net of tax on realised capital gains unless indicated by ♦. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed.....	98	......	—	£3.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 40⅜% (based on US$2.0330 per £)

Conversion factor 0.7126 (0.7131)

CANADIANS

S.E. List Premium 40⅜% (based on 2.4137 per £)

BANKS AND HIRE PURCHASE

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MINES

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MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	12	.....	—	—	—
171	64	Bougainville 50 Toea	154	+2	Q15c	1.4	6.3
140	63	BH South 50c	125	−3	—	—	—
820	150	Central Pacific	470	+70	—	—	—
336	148	Conzinc Riotinto 50c.	298	−2	¶Q10c	ϕ	1.9
35	19	Cultus Pacific N.L.	32	.....	—	—	—
27	9½	Endeavour 20c	17½	.....	—	—	—
98	45	G.M. Kalgoorlie $1.	85	.....	—	—	—
68	18	Haoma Gold N.L.	35	.....	—	—	—
167	81	Hamptn Areas 5p.	154	−2	ϕ3.55	2.0	3.4
47	10	Metals Ex. 50c	46½	+½	—	—	—
275	125	M.I.M. Hldgs. 50c	247	−3	†Q9c	1.7	2.1
22	10	Minefields Expl.	15	..	—	—	—
74	10	Mount Lyell 25c	60	+2	—	—	—
43¾	11¾	Newmetal 20c	20	−2	—	—	—
143	79	North B. Hill 50c	127	+4	Q8c	1.3	3.6
22	8½	Nth. Kalgurli	19	.....	—	—	—
50	12	Nth. West Mining	33	−1	—	—	—
178	115	Oakbridge SA1	124	...	Q12c	1.9	5.6
42	10	Oilmin N. L.	31	.....	—	—	—
121	30	Pacific Copper	112	+6	—	—	—
£15½	725	Pancont'l 25c	950	+75	—	—	—
40	12	Paringa M&Ex.5p	22½	−2½	—	—	—
570	310	Peko-Wallsend 50c.	460	+8	Q15c	3.3	1.9
300	50	Southern Pacific	200	−30	—	—	—
188	84	Westn. Mining 50c.	177	−1	†Q3c	0.7	1.0
11	7	Westmex	11	.....	—	—	—
100	35	Whim Creek 20c	55	.....	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	29	.....	2.81	1.3	14.4
435	240	Ayer Hitam SM1	385	.....	Q300c	0.5	16.7
65	45	Beralt Tin	64	+1	4.0	ϕ	9.3
305	190	Berjuntai SM1	245	.....	†Q110c	1.0	10.6
185	111	Geevor	155	.....	H5.57	5.8	5.4
11	6½	Gold & Base 12½p	9	.....	—	—	—
350	220	Gopeng Cons.	325	+5	18.0	1.4	8.3
350	130	Hongkong	350	.....	12.5	ϕ	5.3
93	64	Idris 10p	67	.....	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	.....	—	—	—
84	63	Kamunting SM0.50.	75	.....	†Q12.5c	2.1	3.6
340	133	Killinghall SM1	330	.....	—	—	—
470	280	Malay Dredging SM1	445	−5	Q175c	0.7	8.4
78	40	ΔPahang	45	+2	—	—	—
78	50	Pengkalen 10p	78	.....	4.5	1.2	8.6
270	165	Petaling SM1	230	.....	Q120c	1.3	11.2
87	49	Saint Piran	82	+1	†2.03	6.5	3.7
70	47	South Crofty 10p	57	.....	†4.19	2.0	11.0
245	140	South Krea SM0.50.	175	.....	†Q145c	0.6	17.8
370	230	Sthn Malayan SM1	365	+5	Q190c	1.0	11.2
245	134	Sungei Besi SM1	245	+5	mQ65c	5.3	5.7
85	55	Supreme Corp. SM1	70	.....	ZQ10c	—	3.1
105	84	Tanjong 15p	100	.....	6.60	0.8	9.8
270	148	Tronoh SM1	250	+5	‡Q88c	1.6	‡

COPPER

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	90	−1	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	64	−1	—	—	—
17	9	Burma Mines 17½p	11	.....	—	—	—
345	165	Cons. Murch. 10c.	325	−5	—	—	—
465	245	Northgate C$1	360	−10	—	—	—
299	164	R.T.Z.	292	+2	9.5	2.8	4.9
90	30	Sabina Inds. C$1	55	.....	—	—	—
£12	687	Tara Exptn. $1	800	−6	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$11⅞	.....	Q190c	ϕ	19.2
$11⅞	830c	East Drie R1	980c	+15	Q115c	ϕ	3.5
585c	330c	East Rand Prp. R1	420c	+5	Q10c	—	—
$28¼	$16½	F.S. Geduld 50c	$22	+⅝	Q315c	2.4	16.4
$15⅛	975c	Pres. Brand 50c	$13¼	+¼	Q150c	3.2	13.0
$13¾	900c	St. Helena R1	$13¾	+¾	Q190c	1.4	15.9
550c	313c	Stilfontein 50c	535c	.....	Q66c	2.3	14.2
$23⅞	$16¼	Vaal Reefs 50c	$22⅞	+½	Q280c	ϕ	14.4
$37	$25	West Drie R1	$29⅝	+½	†Q385c	1.7	15.0
$31¼	$19	West Hldgs. 50c	$26¼	.....	Q415c	1.4	18.2
$13	895c	Western Deep R2	$11	+⅛	Q147½c	2.4	15.4

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 26

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	26	.....
Ash Spinning	106	.....
Bertam	21	−1
Bdg'wtr. Est. 50p	365	.....
Clover Croft	28	.....
Craig & Rose £1	710	.....
Dyson (R. A.) A	35	.....
Ellis & McHdy	69	.....
Evered	26	.....
Fife Forge	52	.....
Finlay Pkg. 5p	21	.....
Graig Ship. £1	127	.....
Higsons Brew	75	.....
Holt (Jos) 25p	260	.....
I.O.M. Stm. £1	282	.....
Pearce (C. H.)	200	.....
Peel Mills	25	.....
Sheff. Refrshmt	74	.....
Sindall (Wm.)	120	.....

IRISH

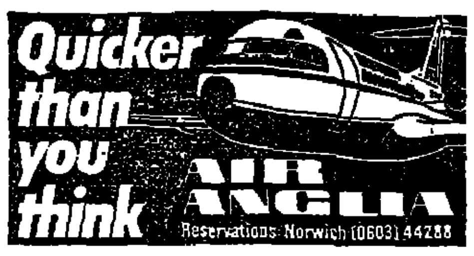
Stock	Price	+ or −
Conv. 9% '80/82	£91½	+½
Alliance Gas	111	.....
Arnott	400	.....
Carroll (P.J.)	107	.....
Clondalkin	93	−1
Concrete Prods.	140	−5
Heiton (Hldgs.)	57	−2
Ins. Corp.	180	.....
Irish Ropes	100	.....
Jacob	50	.....
T.M.G.	216	.....
Unidare	82xd	.....

OPTIONS

3-month Call Rates

Industrials					
A. Brew	6½	I.C.I.	20	Unilever	35
BOC Intl.	6	"Imps"	6	U.D.T.	4
B.S.R.	8	I.C.L.	40	Utd. Drapery	7½
Babcock	11	Inveresk	7	Vickers	15
Barclays Bank	25	KCA	3	Woolworths	5
Beecham	32	Ladbroke	14		
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	15	Lex Service	7	Brit. Land	3¼
Bowaters	14	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lots"	4	E.P.	3½
Brown (J.)	33	London Brick	6	Intreuropean	5
Burton 'A'	16	Lonrho	5	Land Secs.	16
Cadburys	5	Lucas Inds.	25	MEPC	12
Courtaulds	10	"Mams"	12	Peachey	8
Debenhams	8	Mrks. & Spncr	7	Samuel Props.	9
Distillers	15	Midland Bank	25	Town & City	1¼
Dunlop	5	N.E.I.	12		
Eagle Star	10	Nat. West. Bank	22	**Oils**	
E.M.I.	14	Do. Warrants	10	Brit. Petroleum	45
Gen. Accident	17	P & O Dfd.	7	Burmah Oil	8
Gen. Electric	18	Plessey	8	Charterhall	2½
Glaxo	40	R.H.M.	5	Shell	28
Grand Met	7½	Rank Org.	18	Ultramar	16
G.U.S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3½	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd	20	Thorn	22	Cons. Gold	12
House of Fraser	12	Trust Houses	£18	Rio T. Zinc	16
		Tube Invest.	30		

A selection of Options traded is given on the London Stock Exchange Report page



FINANCIAL TIMES

Thursday March 8 1979

EEC set to reject UK's aid demand

MR. JAMES CALLAGHAN will amost certainly have a tough struggle convincing other EEC leaders at next week's European summit in Paris that Britain's economic growth rate is being impaired by the mounting cost to the Exchequer of Community membership.

This argument, which has been a central element in the UK's campaign to secure a more equitable balance of resource flows between the EEC members, is flatly rejected in a confidential working paper prepared for the summit by the European Commission.

The paper also lends virtually no support to British demands that the EEC significantly expands its spending on regional and industrial aid to offset heavy expenditures on agriculture, which account for almost 75 per cent of this year's EEC budget, worth about £10bn.

Britain contributes much more towards the total cost of the Common Agricultural Policy than it receives. This is the main reason for its increasing net contribution to the Community budget, estimated by the Treasury at almost £900m this year and likely to exceed £1bn in 1980.

Complaints

But Britain's complaints, that this financial drain is diverting resources from its domestic economy, are brushed aside by the Commission paper.

It states: "The sums involved *are too small to have any significant effect on the economic situation as a whole, at least in the later member states.*"

The paper acknowledges that net budgetary gains and contributions by individual member states do not always correspond to their economic strength, though it argues that it is difficult to assess the balance of advantage precisely.

The Commission does not suggest that any new measures are *needed beyond its previously* announced decision to press for a system of budget contribu*tions which would have a less* regressive effect.

In the Commission view, close convergence between the economies of EEC member states will depend primarily on better co-ordination of national policies both in the field of economic and monetary management and in the restructuring of industry.

It argues that the EEC regional, social and farm guidance funds should not be considered as *short-term economic* policy instruments but as sources of aid for the solution of structural problems. It recommends that the fund's resources should be increased, but that this should take place gradually.

The paper calls for a more efficient co-ordination of the funds as well as of lending by the European Investment Bank. But it does not ake up the recent proposal made by Mr. Denis Healey, the *Chancellor of the* Exchequer, that the scope of the regional fund should be *enlarged to cover areas in* industrial decline instead of concentrating on agricultural *regions as at present.*

Surplus on invisibles drops by £613m

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S traditionally large *surplus on trade in invisible* items fell sharply last year, mainly as a result of a big rise *in net contributions to the EEC* and a deterioration in the balance of shipping earnings.

A fall of £613m to £1.43bn in the invisibles surplus is disclosed in the fourth quarter *balance of payments figures*, published yesterday by the Central Statistical Office.

*The decline is, however, some*what less than originally estimated and there was an improv*ing trend in the second half of* the year.

The revision on invisibles is *the main reason why the* current accounts surplus for 1978 has been revised upwards to *£254m, compared with an* original estimate in monthly trade statistics of £84m.

The deficit on visible trade last year narrowed by £569m and this was more than explained by the impact of rising North Sea oil and gas production and the fall in associated imports of equipment.

The North Sea had an unfavourable impact on the *invisibles account because of a* rise in profits due overseas of £100m, although this was less *than expected* because of production delays.

The main influenees on the *invisibles were an increase of* £455m in the UK's net contribution to the EEC and an *estimated* deterioration of £300m on the shipping account as a result of reduced UK *tanker activity* and increased chartering of overseas ships.

Increases

The net surplus on travel fell by £221m to £857m, mainly as a result of a 16 per cent increase in the number of visits made by UK residents abroad, coupled with a levelling-off in visits to the UK.

The *main increases in* invisible earnings were achieved by civil aviation. City activities, such *as insurance* and banking, and by other services, such as professional advisers.

On the capital account, UK residents made substantial portfolio investments overseas for the first time since 1972. Net investment in overseas securities last year was more than £850m, compared with £49m in 1975, the only other recent year of net outflow.

This interest was stimulated by the relative attraction of Wall Street *for some of the year and*, towards the end of 1978, by large purchases of Irish securities, *possibly over £100m, following* speculation about the possible results of the creation of the *European Monetary System.*

The rise in net overseas investment followed an easing of exchange controls at *the end of* 1977—the ending of the 25 per cent surrender rule—though purchases of *foreign currency* securities were largely financed by borrowing foreign currency from banks in the UK and abroad.

Official sterling balances fell by £119m during 1978 though private balances rose by just over £300m.

Table Page 8

British companies in £30m cobalt deal

By Michael Holman in Lusaka

IN A DEAL probably worth more than £30m a year, a *group* of UK companies has signed a three-year contract for the *annual supply of 685 tonnes of* cobalt from Nchanga Consolidated Copper Mines, the State-*controlled Zambian group.*

The deal represents nearly 5 per cent of world production at *1978 levels of a vital mineral* used in the aerospace industry, the manufacture of jet engines, *permanent magnets and in the* chemical and paint industries.

But with Zaire, the world's *biggest supplier, having severe* production problems and political uncertainty, supplies of *the mineral are likely to fall* this year. This will increase the importance of the UK contract and of Zambia as a source.

Involved

The names of the companies involved have not been given, but they are thought to include major UK consumers such as Rolls-Royce, BOC Minerals and Firth Brown.

The contract provides for an immediate loan to Nchanga of *£14m, calculated at a base price* for cobalt of $18 a pound. Finance is provided by the Bank *of America.*

Nchanga will receive the cobalt price ruling at the time of delivery. The present Zambian producer price is $25 a lb, which gives the contract a base worth of $37.7m (£18.6m), but the free market price, reflecting the international shortage, is $41 a lb. On this basis, the current value of the contract is $61.89m (£30.56m).

Zambia is the world's second biggest producer, with 1,700 *tonnes last year. Production* this year is expected to reach 3,000 tonnes. It is thought that Zambia could *eventually* produce between 7,000 and 10,000 tonnes of cobalt annually.

Evacuation

Zaire's Shaba province has produced 70 per cent of *world* cobalt in the past. However, a rebel occupation of the Shaba mining centre of Koiwezi last May forced the evacuation of the 600 expatriate miners in the town. About 100 have now returned but there is continuing concern about security in the province. The shortage of skilled manpower and spare *parts makes it highly unlikely* that this year's production target of 13,000 tonnes will be met.

Paul Cheeserlight writes: Rolls-Royce, BOC Minerals and Firth Brown yesterday would not confirm that they were involved in the contract, nor would the Bank of America disclose details of the financing. BOC, however, is a Zambian customer of long standing.

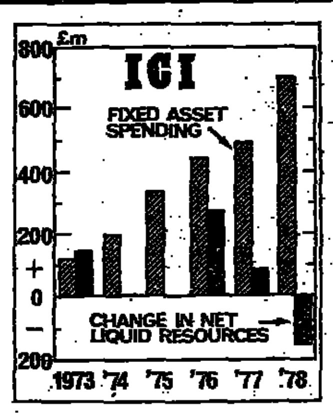
It seems likely that the buying consortium consists of more *than three companies and could* embrace concerns such as Henry Wiggin, a major supplier of alloys to the aircraft industry.

THE LEX COLUMN

ICI cuts back its ambitious plans

The gilt-edged boom has done wonders for confidence in the stockmarket as a whole. Yesterday, at last, the All-share index broke through to an all-time high, while the 30-share index has now risen 11.3 per cent in just over three weeks. Buyers of equities appear to be taking *a long-term view of profit and* dividend prospects; they are buying in spite of a number of *dividend cuts* by major companies despite the depressing outlook for company liquidity *underlined yesterday by ICI*, and in face of the effects of a rising currency on the export sector. *Talk of foreign inflows is again* in the air, and sterling is at its highest level for a year on a *trade-weighted basis.*

Index rose 10.7 to 496.9



ICI

Some very high estimates for ICI's 1979 pre-tax profits—*£650m or so against last year's* £421m—are way above the mark if the Press conference held by *the company yesterday to pre*sent its annual report is anything to go by. Profitability this *year is vitally dependent* on the extent to which price increases in petrochemicals, the consequence of sharply higher feedstock costs, can be made to stick, and the effect of the higher prices on demand for plastics and fibres. ICI maintains that so far the cost increases have been nowhere near passed on; higher labour costs and the January haulage dispute have only aggravated matters.

But worse is yet to come. Second quarter contract prices for naphtha, the basic feedstock, *look like rising to $240 a* tonne, twice the levels of a year ago and $50 above the first quarter. There is no suggestion from ICI that it is sitting on a pile of stock profits; more likely, heavy restocking will have to take place, not immediately offset by rising sales income. When the naphtha price does calm down all the old problems of European petrochemical overcapacity will still remain. Already U.S. *producers, more self-sufficient* in feedstock, have a strong competitive advantage.

ICI's investment programme is also somewhat awry. Lower profits last year combined with record capital expenditure to create an outflow of funds of £157m. This year fixed asset investments will be pushing up towards £800m, while working capital requirements will be inflated by higher raw material costs: another large cash out*flow is likely. Ideally ICI would* like to self-finance 80 per cent of its capital spending, rather than 60 per cent *as in 1978.* This will require a severe cutback of spending in 1980.

Yesterday the company was serving solemn notice on its customers that higher prices are inevitable and will be here for some time, a point that it has been trying to put across since December. It will be a pity if the rather alarmist nature of some recent ICI pronouncements detracts from the force of its arguments.

Euromarkets

Despite a flurry of fixed interest bond issues in the opening weeks of 1979 the latest *figures from the OECD* demonstrate the emphatic trend in the international capital markets *away from fixed interest bonds* and towards floating rate financing. Where in 1977 the volume of bond issues equalled that of syndicated loans in the fourth quarter of last year the rate of bond issues was only one-third that of such loans. Even this understates the shift because two-thirds of the Euro-dollar bond issues in the fourth quarter were Floating Rate Notes.

The steadily growing demand *for short term funds to finance* long term borrowing has still had no impact on the "borrower's market." At the end of 1977 the borrower from a developing country had to pay 0.6 per cent more than a borrower from an industrial country. By the end of last year this difference had halved. Borrowers can now stretch floating rate loans out to 15 years—matching the longest Eurobond.

Is it possible that the world's borrowers are becoming addicted to a floating rate *existence? The more conven*tional explanation for the trend is that borrowers remain confident that short term dollar rates over the next decade will average out at less than the 10 per cent currently needed to float a long term bond. As for the fixed rate bargains available in the strong currencies, the limitations here are the capacity of these markets—and the painful exchange rate shifts experienced by those who have tapped them.

F. W. Woolworth

After a very good Christmas and an indifferent January, the fourth quarter profits of F. W. Woolworth, the sleeping giant of the high street retailers, are up by 17 per cent to £30m. Full year profits, despite an extra £2½m of pension funding, are 13.5 per cent higher at £53.1m.

funding. are 13 vbg cmf vbgbg

However, because of the *very drop in the tax charge mainly* reflecting stock appreciation relief (Woolworth increased its *stocks by nearly 30 per cent* last year), after-tax profits are more than 60 per cent higher. Even after the 7 per cent increase in dividend Woolworth's retained profits have jumped from £8.5m to £22.5m. Taken together with the massive £266m surplus on the property revaluation, shareholders' funds now stand at around £530m. Long-suffering shareholders could be forgiven for expecting a higher pay out, but it seems *that despite its new found* wealth Woolworth is intent on ploughing back as much money as possible. *Capital spending* in the current year will rise from £18m to nearly £30m, most of which will be spent on refurbishing Woolworth's image.

Although consumer spending was very buoyant in 1978, Woolworth's gross margins were under pressure for much of the year as a result of the high street price war. Operating costs rose by just over 10 per cent and volume rose by around 5 per cent. The switch away from food and into higher margin merchandise continued apace but Woolworth still has to prove that its move into these new areas is going to pay off.

Assuming continued growth in consumer spending in the current year and a 10 per cent rise in operating costs (Woolworth has already settled its wage claim), group sales could top the £1bn mark and Woolworth's profits could approach *£60m. To put this in perspective*, Marks and Spencer made pre-tax profits of £73m on sales of just *under £700m in the first half of* its current year. At 74½p Woolworth shares yield 9 per cent.

Expenditure Committee report criticises Barnett

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MR. JOEL BARNETT, the Chief Secretary to the Treasury, was *yesterday criticised by an all*-party committee of MPs for his refusal to produce estimates of the impact of pay rises above the official guidelines upon public spending and borrowing.

The Commons Expenditure Committee, in its report on *January's spending White Paper* expresses its "disappointment" and "dissatisfaction" with Mr. *Barnett's attitude.*

Mr. Barnett justified his view by referring back to an earlier private letter to the committee from Mr. Denis Healey, the Chancellor, in which he warned that such assumptions and calculations might appear to have *been endorsed by Government* while their preparation would divert those concerned from other work.

The report argues that the White Paper's discussion of the economy is three months out-of-*date* by the time it is published in January and an intermediate assessment should be made avail*able* when Treasury *officials* give oral evidence to the committee.

In addition, the report recommends that in future the White Paper's assessment of the economy should be on a more realistic basis, rather than "a set of seemingly arbitrary pro*jections*," *and should include* more discussion about economic policy options, covering all likely eventualities.

The official view appears to be that the recent White Paper meets some of these criticisms by including three illustrative *projections.* Mr. Healey discussed the implications of high pay settlement in the Commons at the end of *January.*

However, the report, as a whole, has a "tone friendlier to the Treasury than in years past," according to Mr. Michael English, the Labour MP for Nottingham West and chairman of the sub-committee which prepared the report.

In particular, there is a *welcome for certain improve*ments in the format and content of the White Paper, though there are continuing criticisms about the treatment of underspending and of the balance between capital and current expenditure.

The *report* argues that some of the recent cuts in capital *spending* seem to be "fake *economies and the damaging* impact on the construction industry is neither sensible nor just." There is a reference to evidence, for instance, of the accelerating deterioration of sewers.

Details, Page 9

U.S. authorities took 'massive' measures to stabilise dollar

BY STEWART FLEMING IN NEW YORK

FEARING a "full scale run on the dollar," the U.S. authorities "intervened massively" to stabilise the *currency* in the *wake of the Carter Administra*tion's support package on November 1 last, Federal *Reserve officials in New York* said yesterday.

Looking more relaxed and confident than in early December when they last reported on official foreign exchange operations, Mr. Alan Holmes and Mr. Scott Pardee, Executive Vice-President and Senior Vice-President of the New York Federation said that on some days in November and December 1978 the authorities Committed the equivalent of $1bn to help the U.S. currency.

Partly no doubt to impress the foreign exchange markets with their determination to defend the dollar should the markets test their resolve again, *the officials emphasised that the* U.S. authorities had spent heavily and there was a high *degree of co-ordination with* the other major central banks also supporting the currency.

The authorities "*were taking* on everyone in the market who threw dollars at the U.S., and *then taking on the market.*" Mr. Pardee remarked. While reserve diversification by some *central banks selling dollars* had been a problem for the dollar, it had been no worse *than in 1973 when the dollar* was also under pressure.

In that year the Bundesbank on one day had spent the equivalent of $2bn, Mr. Pardee pointed out.

Throughout the three-month period the U.S. authorities had sold the equivalent of $6.9bn in Deutsche-Marks, yen and Swiss *francs to help the dollar.* The previous record support by the U.S. was $2.5bn in the August to *October quarter last year.*

By the end of January, Mr. Holmes said, the dollar had "*gradually* regained" its resilience, reducing the U.S. authorities' net current sales in quarter to $4.9bn. The figures suggest that the U.S. has repaid some $2bn of its drawings on swap lines with the German, Japanese and Swiss central banks. Repayments have not been made from funds raised through the sale of foreign currency-denominated U.S. bonds Mr. Holmes said.

On Tuesday, Mr. Anthony Solomon, Under Secretary at the U.S. Treasury, indicated that since the end of January there had been a further reflow of funds into dollars, Mr. Holmes pointed out that the U.S. authorities had been "net buyers of foreign currency since the end of January" and indicated that the U.S. will aim to continue to acquire foreign currency as the dollar rises.

The Fed *officials noted that* there was "more concern about internal inflation" now in *Germany and Japan.*

Overall the Fed disclosed that gross market intervention by major central banks in the quarter totailed a record $33.1bn, which compared with $31bn in both the February to April and the August to October quarters of 1978.

Weather

UK TODAY

OCCASIONAL rain in most places. Cloudy everywhere, but dry and bright at first in Southern England. Max. 9C (48F).

London, SE, E England, Channel Isles, E Midlands

Dry and bright at first, cloudy later.

W Midlands, N Wales, N England

Becoming cloudy. Rain at times.

SW England, S Wales

Mostly cloudy. Some rain.

Scotland and Ulster

Showers or longer periods of rain. Bright intervals in some places.

Outlook: Unsettled and windy. Occasional rain in the South. Wintry over Scotland. Mostly cold.

WORLDWIDE TEMPERATURES

	Y'day midday	°C	°F	Cape T	S	21	70	Locarno	C	10	50	Oslo	Sl	1	34
				Chicago	C	2	36	London	S	8	46	Paris	C	8	46
				Cologne	C	8	46	Luxmbg.	C	5	41	Perth	S	35	95
Ajaccio	C	12	54	Cophgn.	C	4	39	Luxor	S	25	77	Rykjv.	Sn	−5	23
Algiers	S	20	68	Corfu	S	15	59	Madrid	C	14	57	Rhodes	R	14	57
Amsdm.	F	7	45	Dublin	S	7	45	Majorca	F	16	61	Rio J'o	S	34	93
Athens	C	12	54	Dbrvnk.	C	14	57	Malaga	F	15	60	Rome	S	15	59
Bahrain	S	21	70	Ednbgh.	C	5	41	Malta	S	15	59	Singapr.	S	28	82
Barclna.	F	15	59	Faro	C	17	63	M'chstr	F	6	43	Stckhm.	C	0	32
Beirut	[illegible]	15	59	Florence	R	10	50	Melbne.	S	13	64	Strasbg	C	10	50
Belfast	F	6	43	Frankft.	F	6	43	Mex C.	S	20	67	Sydney	S	22	72
Belgrd.	S	15	59	Funchal	S	18	64	Milan	C	13	55	Tangier	C	16	61
Berlin	R	5	41	Geneva	C	9	48	Mntreal.	S	5	41	Tel Aviv	C	18	64
Biarritz	R	9	48	Gibrltr	F	19	66	Moscow	C	7	45	Tenerife	S	15	59
Brmghm.	F	6	43	Glasgow	F	4	39	Munich	C	6	43	Tokyo	S	13	56
Blackpl.	C	5	41	Guernsey	C	6	43	Nairobi	S	23	73	Toronto	C	2	36
Bordx.	F	10	50	Helsinki	S	0	32	Naples	S	16	61	Tunis	S	18	64
Boulgn.	F	5	41	H. Kong	C	19	66	Nwcstl	F	5	41	Valencia	F	21	70
Bristol	F	7	45	Innsbrk.	F	5	41	N. York	C	7	45	Venice	S	12	54
Brussels	F	3	[illegible]	I. o Man	F	5	41	Nice	F	14	57	Vienna	S	10	50
Budpst.	C	3	[illegible]	Istanbul	C	6	43	Nicosia	F	17	63	Warsaw	C	2	36
B. Aires	S	21	70	Jersey	R	6	43	Oporto	S	13	55	Zurich	C	6	43
Cairo	S	23	73	Jo'burg	C	24	76								
Cardiff	S	6	43	L. Plms.	S	19	66								
Casblca.	S	17	63	Lisbon	C	14	57								

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Continued from Page 1

EMS

the Government will face during an extraordinary Parliamentary session on unemployment expected later this month.

Margaret Van Hattem writes from Brussels: The French Government's decision does not, in itself, resolve all the difficulties.

The Council of Ministers has yet to approve the use of the *new European Currency Unit* for agriculture, as well as price rises for British, French, Italian *and Irish farmers.* Italy is insisting on this point which will be achieved via "green" *currency devaluations.*

If these measures are not approved at the next Farm *Ministers' meeting on March 26*, the EMS could yet come unstuck. However, they are expected to be passed unanimously.

Most of the regulations giving a *legal basis to the EMS* have been approved by the Council of Ministers and, with the lifting of the French objection, can come into effect immediately.

The most important remain*ing regulation concerns the use* of the European Currency Unit, rather than the present unit of *account, for fixing EEC common* farm prices.

Italy has threatened to block this *unless farm* Ministers at the time time approve devaluation of the "green" currency rates, used to convert common prices into national currencies, which would raise British, French, Italian and Irish prices.

British approval is required for both decisions, and is expected to be given.

Lower spending to reflect ICI profit fall

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries expects to approve a lower level of capital expenditure in the coming year because of reduced profitability.

The group's annual report, yesterday, shows that its pretax profits were £62m down on the 1977 figure of £483m. Its net liquid resources at the end of 1978 stood at £395m compared to £552m in December 1977.

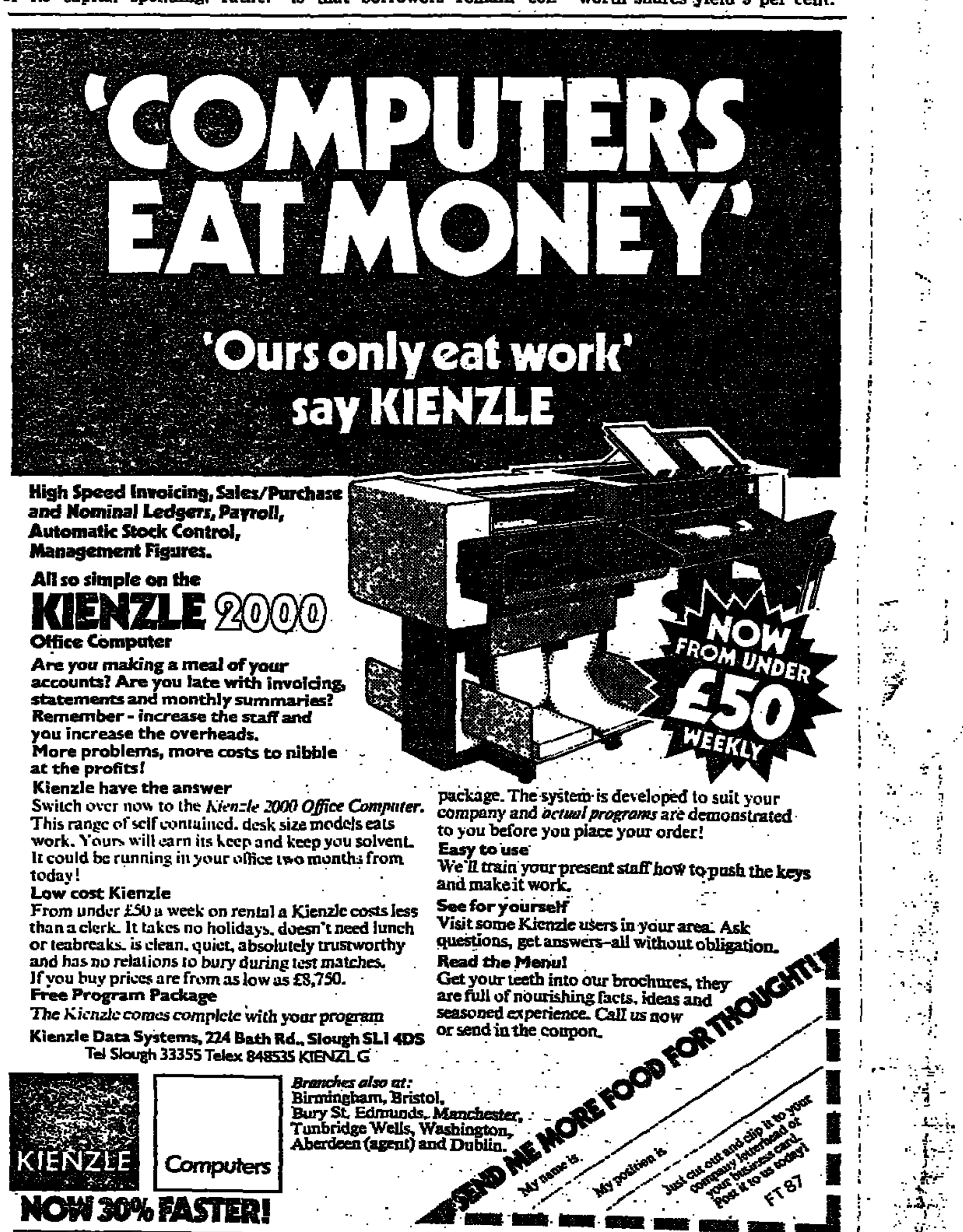
Mr. Maurice Hodgson, chairman, said yesterday that although the group had maintained the level of sanctioned new expenditure at 1977 levels during last year, this had been possible only because it had "strong liquid resources."

"To sustain this level of sanctioning, improved profitability is essential. We are making great efforts to achieve this but we must be *prudent* and realistic."

Last year ICI sanctioned £783m worth of *new* projects and it actually spent £701m. At the end of 1978 the amount of *expenditure* sanctioned but unspent stood at £1.073bn.

The group's *sales for 1978* were £4.533bn, representing a 5 per cent increase in volume over 1977's. *But ICI says the benefits of higher sales had* been more than offset by rising manpower and raw material costs.

"In Western Europe especi*ally, overcapacity, exacerbated* by the threat of imports from Eastern Europe, continued to *impose extreme pressure on* prices which, for polyolefins in particular, are still at unprofit*able levels*," *Mr. Hodgson* said.



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